FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

East Asia

FBIS-EAS-90-145
Friday
27 July 1990

Daily Report
East Asia

FBIS-EAS-90-145 CONTENTS *27 July 1990*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

- Reportage on Post-ASEAN Meeting With West 1
  - Canada's Clark on Aid *[ANTARA]* 1
  - APEC To Dominate Meeting *[Bangkok THE NATION 27 Jul]* 1
  - Focus on Cambodia *[Bangkok THE NATION 27 Jul]* 2
  - Thai Role on Cambodia *[Bangkok THE NATION 27 Jul]* 2
  - Cambodia Tops Agenda *[AFP]* 3
  - Japan Quiet on Cambodia in UN *[KYODO]* 4
  - Japan Urges West-PRC Ties *[AFP]* 5
  - Political Issues Dominate Meeting *[ANTARA]* 5
  - Australia on Security Forum *[AFP]* 6
  - Alatas on Cambodia, Refugees *[BERNAMA]* 7
  - Baker Confers on Cambodia *[AFP]* 7
  - Alatas on Mideast, South Africa *[ANTARA]* 8
  - Call for North-South Dialogue *[AFP]* 9

INTER-ASIAN AFFAIRS

- Alatas on ASEAN Refugee Stand, U.S. Ties *[ANTARA]* 10
- Malaysian Minister on U.S. Policy on Cambodia *[BERNAMA]* 10

NORTHEAST ASIA

Japan

- Gorbachev Reportedly Plans To Visit in Spring *[KYODO]* 11
  - Says Ready To Make Concessions *[Tokyo TV]* 11
- New Zealand Prime Minister Arrives in Tokyo *[KYODO]* 11
  - Talks With Kaifu *[KYODO]* 12
  - Warns of Trade System Collapse *[AFP]* 12
- Companies Get Indonesian Power Generator Order *[KYODO]* 12
- $4 Million Drought Damage Assistance to Peru *[KYODO]* 12

Mongolia

- Further Reportage on 22 Jul Primary Elections 13
  - Opposition Contests Results *[Belgrade TANJUG]* 13
  - Opposition Leaders Comment *[Ulaanbaatar International]* 13
  - G. Ochirbat on MPRP Participation *[Ulaanbaatar International]* 13
  - UNEN Views Primaries *[MONTSAME]* 13
  - MPNP News Conference *[MONTSAME]* 14
  - MSDP Holds News Conference *[MONTSAME]* 14
  - MONTSAME Reviews Papers 14
  - Green Party, MFLP News Conferences *[MONTSAME]* 15
- P. Ochirbat Meets With Voters From Sharyn Gol *[MONTSAME]* 15
- P. Ochirbat Discusses Reforms in North *[Ulaanbaatar International]* 15
- Official Holds News Conference on Defense Policy *[MONTSAME]* 15

North Korea

- N-S Conflict Over Pan-National Rally Continues 16
  - Nationals in Japan Supportive *[KCNA]* 16
  - More on 'Anti-Communist' Groups *[KCNA]* 16
  - North Delegates Make Statement *[Pyongyang Radio]* 16
  - KCNA Reports Statement 18
  - South Again Refuses Contact *[Pyongyang Radio]* 19
  - Contact on Travel Requested *[Pyongyang Radio]* 19
  - South's PPD Welcomes Rally *[KCNA]* 20
  - South Acting 'Premeditatedly' *[Pyongyang Radio]* 20
  - Chondaehyop 'Welcomes' Contact *[KCNA]* 20
  - South Makes 'Obstructive Moves' *[KCNA]* 20
  - New Escorts, Meeting Proposed *[Pyongyang Radio]* 21
  - Affirmative Response Urged *[Pyongyang Radio]* 21
  - Chonminnyon Entry 'Barred' *[KCNA]* 21
  - 'Regret' Over Intransigence *[Pyongyang Radio]* 21
  - Unification Minister Denounced *[Pyongyang Radio]* 22
  - Rejecting 'Reasonable' Proposal *[KCNA]* 22
- More on Negotiations for N-S High-Level Talks 22
  - Report on Eighth Round *[Pyongyang Radio]* 22
  - Paek Nam-chun on Agreement *[Pyongyang Radio]* 24
  - South Rejection of Talks Scored *[Pyongyang Radio]* 25
- Need for Free Travel, Opening Reiterated *[KCNA]* 26
- Struggle of South's Democratic Groups Assessed *[KCNA]* 26
- Scholars Support North's Reunification Efforts *[KCNA]* 27
- Chondaehyop Outlines Action Program for 1990 *[KCNA]* 27
- South Coalition Demands 'Apology' From U.S. *[KCNA]* 28
- Newspaper Comments on U.S. 'Aggressive Nature' *[KCNA]* 28
- Foreign Military Attaches Visit War Museum *[KCNA]* 28
- Newspapers Mark Anniversary of Cuban Uprising *[KCNA]* 29
- Mali Government Delegation Leaves Pyongyang *[Pyongyang Radio]* 29
- Socialist Youth Hold Central Committee Meeting *[KCNA]* 29
- Increasing People's Consumer Goods Stressed *[Pyongyang Radio]* 29
- Scientific, Educational, Children's Films Issued *[KCNA]* 31
- Food Grain Output Compared to 30 Years Ago *[KCNA]* 32
- Railway Transportation Innovations Reported *[KCNA]* 32
- Light Industry Factories Increase Production *[KCNA]* 32

South Korea

- Further on South-North Talks for 15 Aug Rally 33
  - North Statement Rejected *[Seoul Radio]* 33
  - South Spokesman on Situation *[YONHAP]* 33
  - South Rejects Liaison Meeting *[YONHAP]* 33
  - News Analysis on Failed Talks *[YONHAP]* 34
  - North Abandons Talks *[YONHAP]* 34
- Editorial Calls for 'Good Faith' From DPRK *[THE KOREA HERALD 27 Jul]* 35
- South Student Group Plans Joint Rally in North *[THE KOREA TIMES 26 Jul]* 36
- Soviet Relations Talks To Begin Next Week *[YONHAP]* 36
- * Defense Ministry Airs Military Reform Plan *[HANGUK ILBO 11 May]* 37
- * Interview With Bar Association President *[TONG-A ILBO 27 May]* 38
- Article Analyzes Overseas Investment Boom *[THE KOREA HERALD 24 Jul]* 41

SOUTHEAST ASIA

Brunei, Malaysia & Singapore

Malaysia

- Paper Views U.S. Policy Shift on Cambodia *[NEW STRAITS TIMES 21 Jul]* 42

Official Says APEC Should Avoid Politics *[AFP]* 42

Cambodia

Sihanouk Urges ASEAN To Retain UN Seat *[Radio VOK]* 43
    Criticizes U.S. Decision *[AFP]* 43
Son Sann Invites Hun Sen To Meet in Paris *[Radio VOK]* 43
Hun Sen Sends Telegram to Son Sann on Meeting *[AFP]* 44
United Nations Envisages Progressive Cease-Fire *[AFP]* 44
Hun Sen Sends Message to SRV on Flood Damage *[Phnom Penh Radio]* 45
Tie Banh Greets Cuban Uprising Anniversary *[Phnom Penh Radio]* 45
Sar Kheng Receives Cuban Ambassador Suarez *[Phnom Penh Radio]* 45
Six-Month Combat Actions in Kompong Thom Noted *[Phnom Penh Radio]* 45

Indonesia

Alatas, Australia's Evans Discuss East Timor *[ANTARA]* 46
Minister on Foreign, Local Parts in Phone System *[Jakarta Radio]* 46

Laos

Phoun Sipaseut Meets SRV, Cambodia Delegations *[Vientiane Radio]* 46
France To Help Set Up Agricultural University *[KPL]* 47
Clandestine Radio Reports Battle Activities *[Lao Liberation Radio]* 47

Philippines

Mangalpus To Bring Up U.S. Bases at ASEAN *[THE MANILA CHRONICLE 27 Jul]* 47
Rebels Say Civilians, Not MNLF, Surrendered *[DIYARYO FILIPINO 26 Jul]* 48
Communist Rebels Killed in Negros Oriental Clash *[Manila Radio]* 48
'Conciliatory' Executive, Legislature Mood Noted *[THE MANILA CHRONICLE 27 Jul]* 48
Further on Economic Relief Efforts After Quake 49
    Recovery Expected 'in 90 Days' *[Manila Radio]* 49
    Aquino, Creditors To Meet *[Quezon City Radio]* 49
    Easing of Loan Terms Sought *[MANILA BULLETIN 27 Jul]* 49
    Appeals to Creditor Nations *[Manila Radio]* 50
P10-Billion T-Notes for Restructure Approved *[BUSINESS WORLD 26 Jul]* 50
Jan-May Trade Deficit Reported at $1.590 Billion *[MANILA BULLETIN 27 Jul]* 51
ADB Extends P1.2-Billion Agricultural Loan *[BUSINESS WORLD 26 Jul]* 52

Thailand

Foreign Cigarette Taxes Revised Despite Ban *[THE NATION 25 Jul]* 52
Puangchon Chao Thai Considered for Coalition *[BANGKOK POST 26 Jul]* 53

Vietnam

VNA Denies U.S. Allegations on MIA's *[Hanoi Radio]* 53
Commentary on Khmer Rouge, U.S. Policy Shift *[Hanoi International]* 53
General Examines Current Status of Socialism *[TAP CHI QUOC PHONG TOAN DAN Jun]* 54

AUSTRALASIA

New Zealand

Prime Minister Palmer Leaves for Japan Visit *[AFP]* 58

Papua New Guinea

Government Plans No Concessions to Rebels *[AFP]* 58
Prime Minister Surprised by Intervention Reports *[AFP]* 58
Government To Hold Border Talks With Indonesia *[AFP]* 59

Reportage on Post-ASEAN Meeting With West

Canada's Clark on Aid

BK2607125590 Jakarta ANTARA in English 1011 GMT 26 Jul 90

[Text] Jakarta, Jul 26 (OANA-ANTARA)—Canada, despite the recent changes in Eastern European countries, will not help them at the expense of its traditional partners in development, including Indonesia, Joe Clark, the secretary of state for external affairs of Canada said here Thursday.

At a luncheon hosted by the Indonesia-Canada Business Council and the Canada Business Association here, the secretary further said that although Canada was facing intense budget pressures, the country would maintain the high priority for Official Development Assistance (ODA), including those for Indonesia.

In this most-populous nation in the world, [as received] our aid has been realigned to take account of the Indonesian Government's abilities to carry out sustainable development, and to help link Indonesian and Canadian institutions, he said.

The secretary further said that among the most important cooperation programs which had been extended by his country to Indonesia was the support to the Open University of Indonesia through the Open Learning Agency of British Columbia and the Islamic Institute in Indonesia through the Institute of Islamic Studies at McGill University in Montreal.

On relations with ASEAN, the non-communist grouping of Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, and Thailand, Secretary Clark said, Canada had decided to open the Canada-ASEAN Center in Singapore last year. Through the center, aid projects having ASEAN-wide application can be coordinated, he said adding that newly-established institution was also expected to increase awareness about Canada within the association generally.

He also said that he was pleased to announce that all ASEAN foreign ministers have agreed to come to Canada, specifically Jasper (Alberta) from October 5 to 7 to a special Canada-ASEAN ministerial meeting which is aimed at strenthening cooperation between the six nation grouping and his country.

Secretary Clark is now in the Indonesian capital city to attend a discussion between ASEAN and its dialogue partners, which also include the United States, New Zealand, the European Community, Australia, and Japan.

The discussion will be officially called the Post Ministerial Conference (PMC) as it is held after the six ASEAN foreign ministers held their annual meeting from July 24 to 25. The ASEAN's country coordinator for the direct dialog with Canada will be the association's youngest member, Brunei Darussalam. Scheduled to start Friday, the PMC is expected to last three days.

APEC To Dominate Meeting

BK2707025190 Bangkok THE NATION in English 27 Jul 90 p 2

[By Thanong Khanthong]

[Text] The emergence of the Asia-Pacific Economic Cooperation (APEC) framework is leading to the insignificance of the post-ASEAN ministerial meeting as a forum to discuss key economic issues, officials said.

Yet ASEAN foreign and economic ministers are expected to continue to place emphasis on discussing ways to improve economic relations with their dialogue partners from the United States, the European Community, Canada, Japan, Australia and New Zealand.

Except for the EC, all the remaining dialogue partners of ASEAN are members of APEC, of which ASEAN is also a part. Discussions on economic relations represents the dialogue partners' effort to enhance their profile in the region more actively, officials said. For instance, human resource development used to be listed as top priority in the agenda of economic discussions between ASEAN and the dialogue partners, but this time the subject will barely be touched upon because it has already been included in the agenda of the APEC forum.

The three-day post-ASEAN ministerial meeting will commence today as a spin-off from the main ASEAN ministerial meeting, which concluded on Wednesday.

Under the APEC forum all members are treated on an equal basis and they are obliged to share the burden of any initiatives that the group undertakes.

APEC, whose main objective is to foster closer economic cooperation among member countries in the Pacific Rim, emerges as a single grouping as opposed to regional groupings elsewhere.

Representatives of the 12-member APEC will be meeting in Singapore between July 30-31 to lay down the broad framework within which future economic cooperation may take place. They are expected to discuss major economic cooperation programmes from human resource development, energy, telecommunication, environmental issues to transport.

Consciously, ASEAN wants APEC to become part of its framework as evidenced by the scheduling of the APEC meeting to closely follow the post-ASEAN ministerial meeting. So far such a timing has been convenient but the scheduling next year might run into a few snags.

Next year's host South Korea has already made it known that the timing of the APEC meeting will be different from that of the post-ASEAN ministerial meeting because of the inconvenience in having them simultaneously.

Political issues particularly the Cambodian conflict are expected to play a prominent role in the post-ministerial meeting with the dialogue partners today.

Focus on Cambodia

BK2707021990 Bangkok THE NATION in English 27 Jul 90 p 2

[By Kunlachat Chaiphiphat]

[Text] Jakarta—The 11-year-old Cambodia conflict is expected to dominate the three-day discussion beginning today between ASEAN foreign ministers and their so-called "dialogue partners" from countries including the United States and Japan.

ASEAN ministers, despite their initial differences, managed to consolidate a unified position on Cambodia and other regional issues including the burden they have of giving shelter to Indochinese refugees.

The United States, which last week announced a dramatic change in its policy on Cambodia by saying it would no longer recognize the resistance coalition, is expected to have a tough time with ASEAN leaders, who decided this week to continue to support the coalition which includes the communist Khmer Rouge. Washington also said it would open a direct dialogue with Vietnam on the Cambodian conflict.

Other dialogue partners attending the meeting are New Zealand, Australia, Canada and the European Community, all of which are inclined to support the new US policy on Cambodia.

Besides Cambodia, ASEAN members and the other countries will also exchange views on dramatic changes in world politics, ranging from the Middle East crisis to political developments in Burma. Topping the agenda on economic talks will be the outcome of the Uruguay Round of multilateral trade talks in Geneva, market access of ASEAN goods and the results of the recent Houston summit of the seven industrialized countries.

This year ASEAN has changed the format of the annual meeting with dialogue partners. The former six-plus-one format (six ASEAN countries and one dialogue partner) will be replaced by one-plus-one format in which one ASEAN member will serve as the ASEAN coordinator with one dialogue partner. This will allow all the participants to discuss issues in more depth.

—In Bangkok, PM [prime minister] adviser Phansak Winyarat said yesterday that ASEAN statement on Cambodia is not different from positions adopted by the Tokyo meeting and the five-member of the UN security council.

Phansak, chairman of the PM advisory board, told reporters yesterday the substance of ASEAN positions on Cambodia were similar to what the Perm Five and Tokyo meeting agreed: to establish the Supreme National Council [SNC] to represent Cambodia's sovereignty as soon as possible.

The framework adopted at the Tokyo peace talks was that the supreme council would be formulated no later than the end of July, Phansak pointed out, adding that the ASEAN position is to have the SNC before the upcoming UN General Assembly. "Such an outcome, I believe, resulted from a prior arrangement and understanding, which was mentioned by Prime Minister Chatchai Chunhawan two years ago that all Cambodian factions should be represented at the UN," said Phansak.

Thai Role on Cambodia

BK2707025590 Bangkok THE NATION in English 27 Jul 90 p 2

[By Atthawibun Sisuworanan and Kunlachat Chaiphiphat]

[Text] Thailand's mediatory role is crucial in easing the tension caused by the divergency of views over the Cambodia problem, said diplomats attending the Association of Southeast Asian Nations' ministerial meeting here yesterday. There is a possibility that the meeting between the ASEAN's foreign ministers and their counterparts from Western countries will develop into an uneasy dialogue because of the Cambodian problem.

The diplomat said as ASEAN's coordinator of the ASEAN-US dialogue session, Thailand has a role to play in helping the two sides bury their differences and head for constructive talks on their common stance for a comprehensive settlement of the regional problem.

Australian Foreign Minister Gareth Evans, who arrived here on Wednesday night said his country strongly supported the recent shift in US policy on Cambodia and considered it a "very positive thing," and not likely to derail the peace process.

Washington announced last week that it had ceased its support for the Cambodian resistance coalition's seat at the United Nations and was opening direct dialogue with Vietnam and Phnom Penh in the search for a solution to the regional conflict.

Evans' comment came shortly after ASEAN's foreign ministers issued separate statements expressing their deep concern about the US move and cast doubts on its contribution to the peace process.

Indonesian Foreign Minister Ali Alatas told a press conference on Wednesday that ASEAN was waiting to be "further informed about the matter," during its meeting with Baker today. He said if the six-member group were dissatisfied with Baker's clarifications on the policy shift, ASEAN would continue to differ with Washington on the issue.

Singapore's Foreign Minister Wong Kan Seng also said in his speech that the US obviously had different way of calculating the Cambodian problem compared to ASEAN.

Local newspapers gave prominence to the US move as rumours circulated that Baker will not meet privately in a ASEAN-proposed informal session and will only meet with them in the scheduled meeting which will embrace a broader scope of issues.

"Demanding an explanation is not healthy for the talks," said a diplomat who took part in preparing the ASEAN-US talks. He added that it would pit ASEAN against the European Community, Australia and New Zealand which were likely to rally behind the US thanks to the similarity of their views on the Cambodian issue. However, he said as other participants in the talks—including the Philippines, Malaysia, Brunei, Thailand and Japan—were likely to take a moderate view towards the US move, these countries could help cool tempers and prevent the talks from deteriorating into a "head-on" confrontation.

A Thai delegate played down the divergency of views between Indonesia and the US as a thing manageable. He added that Thailand as the coordinator of the ASEAN-US talks will propose that the talks focus on the next step which would be to find grounds for cooperation among the countries to end the war in Cambodia. "As each side's positions had already known, ASEAN should seek to learn from the US secretary what step the US is going to take next and see how best to come to an accommodation," he said. "In this respect, I think that we're quite close," he said citing the fact that the two groups still adhered to the comprehensive solution to the Cambodian problem.

ASEAN has indicated that it will try to organize an inter-Cambodian talks in Paris to set up a national supreme council and urged that any peace move in the future taken by any side should take into consideration two factors—the ongoing regional approaches and the consultations being conducted among the five permanent members of the UN Security Council.

He said Thailand's proposal for the meeting skip the demand for reasons for the US policy shift and go into discussions aimed at converging their plans of action was likely to gain support from the participants. [sentence as published] The US is likely to support ASEAN's proposal to have the four Cambodian factions meet and agree on the setting up of a supreme national council and the reconvening of the Paris International Conference on Cambodia (PICC), he said.

Another ASEAN diplomat said Thailand's reconciliatory role in the meeting as been recognized by the participants of the meeting, adding that Thailand had contributed a lot to ensure that ASEAN's joint statement on Cambodia would be well-balanced. The joint statement also acknowledged and praised Japanese efforts in the Tokyo meeting.

Ruling out the possibility that Indonesia and the US clash head-on at the meeting, the Thai diplomat said the meeting would come out in favour of ASEAN's peace plan. The plan calls for a Supreme National Council be made up of prominent Cambodians who would head a temporary government while the United Nations organises free elections.

The ASEAN's foreign ministers will hold talks with dialogue partners—the US, Canada, EC, Japan, Australia and New Zealand, today on bilateral and international issues, ranging from trade and economic cooperation to security. The talks end on Sunday.

Cambodia Tops Agenda

BK2707040590 Hong Kong AFP in English 0324 GMT 27 Jul 90

[Text] Jakarta, July 27 (AFP)—Foreign ministers of the Association of Southeast Asian Nations (ASEAN) opened a meeting with their counterparts from the group's major Western trading partners here Friday, with Cambodia topping the agenda.

The opening session was preceded by an informal meeting between the six ASEAN ministers and U.S. Secretary of State James Baker to discuss Washington's recent decision to drop its U.N. recognition of the Cambodian resistance coalition. "We had good talks," Foreign Minister Ali Alatas of host country Indonesia told reporters after the meeting with Mr. Baker.

ASEAN diplomats had earlier said the private meeting was held to solicit an explanation from Mr. Baker of the U.S. policy shift, which the regional organisation has attacked as damaging to current peace efforts in Cambodia.

Asked if ASEAN was satisfied with the explanation, Philippine Foreign Secretary Raul Manglapus retorted sarcastically, "was there any explanation?"

Washington said the move was made to prevent the return to power of the Khmer Rouge, which killed hundreds of thousands during its four-year rule in the 1970s and now dominates the two non-communist factions in the resistance coalition.

In his remarks opening the three-day meeting, Mr. Alatas expressed concern over the lack of progress in the Cambodian peace process. "It is our fervent hope that at this delicate stage of the negotiating process all sides will refrain from taking any action that would set the process back and further prolong the armed conflict and strife," he said.

ASEAN foreign ministers in their earlier meeting here this week jointly stated that the U.S. about-face could set back the peace process.

Taking part in the meeting are ministers from the six ASEAN countries—Brunei, Indonesia, Malaysia, the

Philippines, Singapore and Thailand—and the United States, Japan, the European Community, Canada, Australia and New Zealand.

The question of Indochinese refugees is expected to be another contentious issue at this meeting since ASEAN warned it may cease giving first refuge to boat people because of slow progress in resettling and repatriating them. Mr. Alatas said in his speech that ASEAN saw the need to "reiterate the sovereign right of the countries of first refuge to take such action as they deem necessary in order to safeguard their national interests."

Brunei, Indonesia, Malaysia and the Philippines, along with Hong Kong, currently host some 100,000 Indochinese boat people awaiting resettlement in third countries.

Japan Quiet on Cambodia in UN

OW2707050390 Tokyo KYODO in English 0433 GMT 27 Jul 90

[By Tim Johnson]

[Text] Jakarta, July 27 KYODO—Japanese Foreign Minister Taro Nakayama called Friday for the earliest possible establishment of a supreme national council (SNC) to pump life into the lethargic Cambodian peace process, but was mute on Japan's stance on a vacating of Cambodia's seat in the United Nations.

In an address delivered at the opening plenary session of the ASEAN post-ministerial conference, Nakayama also pledged new initiatives to fight illegal drugs. In addition, he proposed setting up a United Nations Environmental Program (UNEP) center to facilitate the transfer of technology to developing countries for the protection of the environment.

Also, he expressed support for maintaining the current level of deterrence provided by U.S. Forces in the Asia-Pacific and repeated Japan's claims to four Soviet-occupied islands, saying a territorial settlement and a Japan-Soviet peace treaty would bear "international significance."

Nakayama avoided commenting on a prime issue of contention here, the erosion of Western support for the quarrelsome Cambodian tripartite resistance coalition. The Japanese foreign minister chose instead to stress the need for Cambodians and concerned countries to move carefully to establish a council of Cambodians for talks on a ceasefire and a post-ceasefire transitional period that would lead up to free elections. "What is needed at this juncture ... is to create a framework of continual dialogue among Cambodians themselves," Nakayama told his counterparts from ASEAN and the regional grouping's Western "dialogue partners."

ASEAN groups together Indonesia, the Philippines, Thailand, Malaysia, Singapore, and Brunei. Its dialogue partners include Japan, the U.S., the European Community (EC), Australia and New Zealand.

"The earliest formation of the supreme national council is the most important objective to be attained in the coming phase of the Cambodian peace process," Nakayama said. The four Cambodian factions have already reached agreement in principle on the need to establish such a representative body. But they have disagreed on whether the council should be formed on the basis of two rival governments or four factions.

Nakayama hailed the results of a meeting Japan hosted last June in Tokyo between Phnom Penh leader Hun Sen and resistance faction leaders Prince Norodom Sihanouk and Son Sann. He called it a "significant outcome" that an agreement was reached then on the establishment and composition of the SNC along a two-party line, which gave six seats to the tripartite resistance "government" and six to the Hanoi-installed Phnom Penh regime.

Japanese officials said Japan has since been urging China to exercise its influence over the Khmer Rouge and has been asking the Khmer Rouge to accept the provisions of the Tokyo agreement.

But some Western diplomats reached for comment during the conference showed less enthusiasm on the results of the Tokyo meeting. "There had been some progress made before on the composition of the SNC ... But I think the process broke down in Tokyo," said one diplomat. He said the Khmer Rouge had balked at a formula which would have given it less seats on the council than the rival Phnom Penh government.

On the agenda of the Jakarta meeting was what one diplomat called a "face-saving formula" for the concerned parties, which has already been endorsed by ASEAN and the five permanent members of the U.N. Security Council. Under the formula, the SNC, rather than being drawn along government-to-government or factional lines, would be comprised of prominant Cambodian "individuals" who represent "all shades of political opinion," the diplomat said.

Nakayama's call for an early consolidation of the SNC echoed the message of the six foreign ministers of ASEAN in a joint communique they issued Wednesday. The ASEAN communique more specifically called for the council to be put in place by September, when the disposition of Cambodia's U.N. seat could possibly come to a vote. If the council was in place by then and was permitted to assume the seat now held by the resistance coalition, the anticipated Western push at the assembly for the seat's vacancy could be preempted.

Japanese diplomats, however, expressed doubt over whether the warring parties could set aside their differences by then. A senior Western diplomat at the conference said Japan is the only participating country which has not stated its position on the U.N. seat question. One Japanese official, meanwhile, responded that arguing the point "would not be productive."

While Nakayama made no reference to the U.S. decision to no longer recognize the legitimacy of the Khmer

Rouge-dominated resistance coalition in the U.N., he welcomed Washington's new willingness to initiate a dialogue with Vietnam on the Cambodian issue. Nakayama called the new Washington-Hanoi dialogue a "concrete step" in the direction of maintaining the momentum of the peace process and facilitating the formation of the SNC.

On the proposed UNEP center in Japan, Nakayama solicited his ASEAN and Western counterparts' "enthusiastic support," saying the project would contribute "to the progress of environmental cooperation in the Asia-Pacific region to a great extent."

Turning to the fight against drugs, Nakayama said Japan intends "to take necessary initiatives in the Asia-Pacific region." He specifically proposed a high-level meeting on the issue in Japan, to be participated in by both regional and non-regional countries, as well as international organizations.

Japan Urges West-PRC Ties

BK2707081190 Hong Kong AFP in English 0750 GMT 27 Jul 90

[Text] Jakarta, July 27 (AFP)—Japanese Foreign Minister Taro Nakayama called on the world's major industrial powers Friday to normalize ties with China, saying maintaining Beijing's links to the outside world was a key to regional peace.

"It is neither in China's interest nor ours to undermine the achievements of China's decade-long efforts toward reform and openness," he said in opening remarks at the annual dialogue between the Association of Southeast Asian Nations (ASEAN) and its major trading partners here.

Mr. Nakayama said this thinking had led Japan to decide to gradually implement an 810 billion yen (5.43 billion dollar) loan to Beijing, suspended last year in the wake of the Chinese Government's crackdown on the pro-democracy movement. The decision was taken in consultation with the Group of Seven leading industrial nations at their summit in Houston earlier this month, during which Tokyo perceived that the "attitude of industrial democracies toward China remains tough," he added.

But Mr. Nakayama warned that "When we give thought to peace, stability and prosperity in the Asia-Pacific region, securing China, stable and open to the outside world is of critical importance." "I thus believe that the year 1990 should be a year in which both China and the countries concerned make efforts toward normalization of relations," he added.

China is a key factor in current international efforts to end the 11-year-old Cambodian civil war, Beijing being the main backer of the communist Khmer Rouge which dominates the U.N.-recognized guerrilla coalition battling the Vietnamese-installed regime in Phnom Penh.

In return, Mr. Nakayama called on Beijing to "continue to uphold its policies of openness toward the outside world and to pursue further its economic and political reforms."

The Japanese foreign minister also told ASEAN and its dialogue partners that despite the "drastic changes" in East-West relations in the past year, "I believe that the basis of security of the Asia-Pacific region continues to be the deterrent forces provided by the presence of the United States forces." Japan, along with South Korea and the Philippines, host a large number of U.S. troops.

The statement was made ahead of next month's negotiations between Manila and Washington on the future of Clark Air Base and Subic Naval Base, the largest U.S. overseas military facilities whose lease expires next year. Manila has repeatedly tried without much success to get ASEAN—Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand—to state its views on the foreign military presence in the region.

Mr. Nakayama also said that owing to current world developments, the "early conclusion of a peace treaty" between Japan and the Soviet Union coupled with a solution to their territorial dispute with the Soviet Union over the Kuril Islands will contribute to regional stability and further improve East-West relations.

Political Issues Dominate Meeting

BK2707095590 Jakarta ANTARA in English 0802 GMT 27 Jul 90

[Text] Jakarta, Jul 27 (OANA-ANTARA)—Political issues occupied no less than two-third of the statements of ASEAN's dialogue partners issued here Friday although the on-going meeting between the regional grouping and the leaders of its dialogue partners is actually aimed at discussing trade and economic problems.

ASEAN's dialogue partners namely the United States, Japan, Australia, New Zealand, European Community (EC), and Canada and their representatives are now in the Indonesian capital city to attend the so-called Post Ministerial Conference (PMC), a discussion forum organized after the six ASEAN foreign ministers concluded their 23rd annual meeting here Wednesday.

U.S. Secretary of State James A. Baker III, who last week shocked ASEAN by announcing the U.S. decision to withdraw its recognition toward the seat of the three-faction Cambodian coalition government, CGDK, in the United Nations, apparently enjoyed the support of Australia's Foreign Minister Gareth Evans, Canada's State Secretary for External Affairs Joe Clark, New Zealand's Foreign Minister Mike K. Moore, and Japan's Foreign Minister Taro Nakayama.

However, no obvious backing on the U.S. policy shift on the more than a decade-long Cambodian problem was included in the statement of Abel Matutes, the EC commissioner for the North-South Relations.

In expressing the support to the United States, Foreign Minister Evans said: "Australia could hardly be expected to do other than feel very comfortable with the U.S. recently-announced policy, as it is the policy approach we ourselves have taken for some 10 years."

Sharing the U.S. opinion that the CGDK [Coalition Government of Democratic Kampuchea], which includes the Marxist Khmer Rouge, should no longer occupy the UN seat on behalf of the Cambodian people, Evans said the horror that the Khmer Rouge inflicted in its own people more than 10 years ago could never and must never be forgotten.

Secretary Joe Clark of Canada, on the other hand, stressed the need to ensure that the Khmer Rouge did not achieve through force of arms what the international community has sought to prevent through negotiations. The focus of the ASEAN-dialogue partners meeting is to advance creative approaches to these long-standing obstacles of peace in Cambodia, and Canada looks forward to working with the leadership of ASEAN to turn a crisp new page in the history of Indochina, Clark said.

Describing the announcement of Secretary Baker on the U.S. policy shift as something that would add a new impetus on efforts to solve the Cambodian conflict, Minister Mike K. Moore said: "Obviously New Zealand supported it."

Foreign Minister Taro Nakayama, whose country last June hosted the Tokyo meeting in attempts to solve the more than 11-year-old conflict in Cambodia, however, seemed to be the only one who did not strongly back the U.S. policy shift as he still stated that "a positive role to be played by the six-nation regional grouping is indispensable". ASEAN itself so far has always been known as an organization that considers the new U.S. decision as something rather unhelpful to the solution process.

Most of the statements concerning economic issues took special notice of today's world trends, the dramatic transformation of Eastern Europe, which is closely linked with that of liberalization of the economy, and the global economy leading toward economic groupings such as the European Single Market and the U.S.-Canada Free Trade Agreement.

Ali Alatas said that ASEAN welcomed the developments. However, he expressed concern that financial, investment, and trade flows from the developed West might now be rechanneled to Eastern Europe.

Meanwhile, EC Commissioner for North-South Relations Abel Matutes reaffirmed that ASEAN and developing countries would not suffer from the sustained financial effort of the EC in favor of Eastern Europe. To the contrary, they would benefit from increased market opportunities on the Eastern European countries development, but also from the enhanced policy the EC Commission just proposed to its member states about Asia and Latin America, he explained.

The enhanced policy included an 82-percent increase of EC development finance during the period 1991-95 compared to 1986-90, he added. He ensured that ASEAN and other developing countries would benefit not only from development aid, but also from increased business cooperation.

Australia praised ASEAN as correct for regarding Asia Pacific Economic Cooperation (APEC) not as an alternative to ASEAN itself. Rather, it has seen APEC as a broader regional framework for creating a freer trading environment and for stimulating even further economic benefit, Gareth Evans added. ASEAN being a success story is a truism, he also said.

The United States stressed that economic prosperity was among the main challenges that must be tackled through Trans-Pacific cooperation such as APEC, Secretary Baker said.

Joe Clark, on the other hand, expressed his hope to work with ASEAN to build on a global free trade proposal covering fishery and forest products as well as some high-technology. We also want the world to consolidate the gains of the Urugay Round and established a world trade organization, once the round is completed successfully, he said.

New Zealand's Mike Moore was of the view that the failure of the General Agreement on Tariffs and Trade (GATT) round, was mainly because the powerful could not make decisions on issues such as agricultural, tropical products or textiles would imperil the bold democratic hopes, even the systems themselves. [sentence as received] He reminded that freedom in international trade would ensure enduring peace and the welfare of nations.

Nakayama of Japan pledged to continue his government's support to countries heading toward democratization through extending economic cooperation. Real democracy could be better nurtured by enhancing stability and prosperity, Japan's foreign minister asserted.

Australia on Security Forum

BK2707101290 Hong Kong AFP in English 0809 GMT 27 Jul 90

[Text] Jakarta, July 27 (AFP)—Australia Friday proposed the creation of a new Asia-Pacific forum for addressing and resolving regional security problems modelled on the Conference on Security and Cooperation in Europe (CSCE).

Minister of Foreign Affairs and Trade Gareth Evans said the Association of Southeast Asian Nations (ASEAN) had begun a debate on approaches to security which could be formulated into a regional version of the CSCE. "We can, for example, ask why we should not seek to put together a conference on security and cooperation in Asia—a CSCA—similar to the CSCE," Mr. Evans said in a speech on the first day of a meeting between ASEAN and its major Western trading partners. Such a forum could start on a sub-regional basis, he added.

The CSCE comprises Western and Eastern Europe nations and the United States.

The six ASEAN countries—Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand—opened their annual talks Friday with the United States, Japan, the European Community, Australia, Canada and New Zealand.

Mr. Evans proposal followed a similar call on Thursday, repeated again Friday, by Canadian Secretary for External Affairs Joe Clark for a wider cooperation forum in Asia-Pacific to build confidence and defuse tensions.

Indonesian Foreign Minister Ali Alatas, who was chairing the three-day conference, said after the opening session that these were "interesting proposals but ASEAN would need time to digest them first."

Reiterating his call, Mr. Clark said at the meeting Friday that new institutions were necessary in the region to encourage consultation and cooperation, noting that ASEAN was the sole forum providing such facilities. "The dangers to international peace are greater around the ASEAN region than in Europe today. That provides real motivation to reduce the likelihood of conflict and widen the range of economic and social progress," he said

The Canadian secretary on Thursday suggested that the forum centre on the current six ASEAN countries, the six Western "dialogue partners" and a "third circle" comprising countries in the region such as Vietnam, Cambodia, Papua New Guinea and countries from the Asian subcontinent.

Alatas on Cambodia, Refugees

BK2707103590 Kuala Lumpur BERNAMA in English 0915 GMT 27 Jul 90

[By Haris Syamun]

[Text] Jakarta, July 27 (OANA/BERNAMA)—ASEAN Friday reaffirmed its position on the Cambodian issue and called on all sides to refrain from taking action that would set back the peace process and prolong the armed conflict and strife in that country.

Indonesian Foreign Minister Ali Alatas said at the opening of the Post Ministerial Conference (PMC) of the 23d ASEAN Ministerial Meeting (AMM) here, that the situation in Cambodia "remains a major source of concern to ASEAN, as it constitutes the principle obstacle in the path towards peace and stability in our region."

In a joint communique issued at the end of the AMM on Wednesday, the ministers reaffirmed continued support for the Cambodian resistance government in the United Nations and in other international fora in the wake of a shift in policy by the United States to withdraw recognition of the coalition's seat in the United Nations.

Alatas said all these efforts, whether in the regional context through the Jakarta Informal Meetings or in international fora such as the Paris International Conference on Cambodia, have led to a substantial narrowing of differences and to a broad convergence of views on the various elements and modalities for a peaceful solution. "It is truly regrettable that despite these exertions—despite the greatly intensified efforts and contributions made by many other sides, notably the UN Security Council, Thailand, Australia, Japan and the Cambodian parties themselves, an overall solution has remained beyond reach," he added.

Alatas said ASEAN is deeply concerned that if the present deadlock persisted, efforts at finding a peaceful solution may be in danger of losing momentum. He said ASEAN is deeply disappointed that the parties directly involved in the conflict still appear unable to summon the necessary political will to arrive at an equitable compromise.

Alatas said a related issue of equal concern to ASEAN is the continued outflow of boat people from Vietnam to the ASEAN countries as countries of temporary refuge (CTR). "This problem, which has been with us for the past 15 years, has now been further complicated with the arrival, in increasing numbers, of a new category of boat people originating from Cambodia," he said. He added that the severe socio-economic and political costs inflicted by this phenomenon on the CTRs is becoming intolerable and could not be borne any longer.

On the activities and programmes of cooperation between ASEAN and its dialogues partners—Australia, Canada, the European Community, Japan, New Zealand and the United States—he said ASEAN is grateful to note the progress that has been made in various fields. However, concerning areas related to improved market access for products of export interest to ASEAN, industrial cooperation and trade in general, the quality as well as pace of progress of cooperation could be improved, he said.

Baker Confers on Cambodia

BK2707093690 Hong Kong AFP in English 0919 GMT 27 Jul 90

[By Michele Cooper]

[Text] Jakarta, July 27 (AFP)—The United States and its allies in Southeast Asia narrowed their differences over Cambodia Friday, agreeing on fresh international efforts to try to resolve the conflict, regional diplomats said.

France and Indonesia are expected to start a new round of consultations shortly with all interested parties—including Vietnam and China—aimed at achieving an early settlement, senior diplomats from the Association of Southeast Asian Nations (ASEAN) said.

All sides appeared to agree that the goal should be a resumption of last August's Paris International Conference on Cambodia, co-chaired by France and Indonesia. They also agreed on the need for a Supreme National Council (SNC) representing all shades of opinion among Cambodians, delegates said.

Analysts noted there was no reference to a "quadripartite" council representing each of the four warring factions, previously demanded by both ASEAN and China.

Earlier, U.S. Secretary of State James Baker conferred informally with ASEAN ministers over his surprise announcement last week that Washington was withdrawing support from the ASEAN-backed resistance coalition that holds Cambodia's seat at the United Nations.

The Khmer Rouge, whose bloody four-year rule ended after Vietnamese troops invaded Cambodia in December 1978 and installed a friendly government, are militarily the strongest faction in the coalition, which also includes non-communist factions headed by Prince Norodom Sihanouk and former Premier Son Sann.

Foreign Minister Ali Alatas of host Indonesia said ASEAN and Washington continued to have "a difference of perception" on whether the coalition should vacate the U.N. seat. But other ASEAN delegates, noting this was the only serious area of disagreement, said the two sides had decided to try to build on common perceptions and leave the seat question aside for the time being.

France and Indonesia "have more or less been given carte blanche to get negotiations going again," one diplomat said.

The ASEAN diplomats said a consensus on the need for fresh contacts emerged at talks here between ASEAN states Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand and their major trading partners—the United States, Australia, Canada, the European Community, Japan and New Zealand.

A senior U.S. official spoke of consensus on trying to expedite formation of an SNC. Regional diplomats said the target deadline was the U.N. General Assembly opening in New York in September. Analysts were skeptical, however, that this could be achieved, given the impossibility to date of getting the Cambodian factions to agree on power-sharing arrangements.

Delegates meanwhile highlighted progress at the latest meeting of the permanent members of the U.N. Security Council—Britain, China, France, the Soviet Union and the United States. They said China had agreed at the U.N. meeting it would halt supplies to the Khmer Rouge within the context of a comprehensive settlement.

Australian Foreign Minister Gareth Evans, in an interview with the BBC, said the Khmer Rouge would of course not compromise if they thought they could win a military victory. But if it became "starkly apparent" that their supply lines were drying up, then they could be brought to the negotiating table, Mr. Evans said.

Addressing the opening session, Mr. Baker outlined U.S. concerns on Cambodia, saying Washington wanted to keep the Khmer Rouge from "shooting their way back into power." He said it would be a disservice to Cambodians to ignore the continuing battlefield threat. "Continued support for the coalition at the U.N. is only providing the Khmer Rouge diplomatic cover for its military maneuvers," Mr. Baker said. He said last week's announced U.S. diplomatic opening to Hanoi "must be combined with a greater effort to control the Khmer Rouge military threat—to move the conflict from the battlefield to the ballot box," he said.

Alatas on Mideast, South Africa

BK2707111790 Jakarta ANTARA in English 0947 GMT 27 Jul 90

[Text] Jakarta, Jul 27 (OANA/ANTARA)—ASEAN deplored and called for putting a stop to the continuing flow of Soviet Jewish immigrants being resettled in the occupied Palestinian territories.

If not stopped, this unacceptable development will have far-reaching and disastrous negative effects on the problem as well as on the peace process itself, Indonesian Foreign Minister Ali Alatas said in his welcome remarks at the Post Ministerial Conference (PMC) of the 23rd ASEAN Ministerial Meeting here Friday.

The Arab-Israeli conflict, with the Palestinian people's struggle for freedom at its core, was foremost among tensions still persisting in many parts of the globe, especially the Third World, Alatas said.

ASEAN countries continued to believe that the international peace conference on the Middle East under the auspices of the United States remained the best vehicle to achieve a just and lasting solution to this problem, he added.

On the problem in South Africa, Alatas said ASEAN rejoiced at Namibia's accession to independence and its joining the UN as the 160th member-state. "But the struggle of Africa for total liberation from colonial domination and racist oppression cannot be considered over until the universally condemned system of apartheid in South Africa has been dismantled and replaced by a non-racial, democratic government based on majority rule," Alatas stated.

Despite the lifting of the ban on the African National Congress (ANC) and the release of Nelson Mandela, the basic structure of the apartheid system still remained in place, he added.

ASEAN therefore would continue to demand that the Pretoria regime take the more fundamental steps of abolishing the state of emergency, freeing all political prisoners and entering into a genuine dialogue with the authentic leaders of the South African people.

"ASEAN was also of the view that sanctions must be maintained until the process of dismantling apartheid has become irreversible," he pointed out.

The meeting between ASEAN and its dialogue partners—the United States, Canada, Australia, New Zealand, Japan and the European Community—will last until July 29, 1990.

Call for North-South Dialogue

BK2707105690 Hong Kong AFP in English 1028 GMT 27 Jul 90

[Text] Jakarta, July 27 (AFP)—The Association of Southeast Asian Nations (ASEAN) Friday called for a revived North-South dialogue, saying the gap between rich and poor countries has widened as East-West tension eases.

The world economy "still displays pervasive uncertainties, and relations between developed and developing countries continue to be afflicted by severe disparities and inequities," Indonesian Foreign Minister Ali Alatas said, opening the annual meeting between ASEAN and its main Western trading partners.

Developing countries in the past year have suffered from declining trade, the negative transfer of resources, depressed commodity prices, escalating protectionism and mounting debts, Mr. Alatas said. "ASEAN is convinced that the reactivation of the North-South dialogue has become more urgent than ever before in order to address the global problems in an integrated way, on the basis of genuine interdependence and mutual interest," he said.

The three-day meeting is attended by the six ASEAN members—Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand—and the United States, Japan, the European Community, Canada, Australia and New Zealand.

Mr. Alatas expressed "apprehension" that much investment and trade from the West might be diverted from developing countries to Eastern European states after the latter transformed their economies into a market-oriented system.

European Commisioner for North-South Relations Abel Matutes, in his opening speech, assured ASEAN and other developing countries that they would not suffer from the community moving closer to Eastern Europe, or from the group's plan to establish a single market in 1992. The European Commission, he added, had just proposed an 82 per cent increase in development finance for Asia and Latin America for the period 1991-95.

Mr. Alatas also urged the six "dialogue partners" to adopt "a more forthcoming attitude" in the current Uruguay Round of multilateral trade negotiations in order to reach "a truly balanced and mutually satisfactory outcome" within the prescribed deadline of the end of this year. The meeting proceeded later Friday into closed sessions.

Conference sources said that while Cambodia and Indochinese refugees would dominate the sessions, talk would also focus on enhancing economic cooperation and on next week's second meeting of the Asia-Pacific Economic Cooperation (APEC) in Singapore.

The first exploratory talks on APEC were held in Canberra in November, involving host Australia, the six ASEAN states, the United States, Canada, New Zealand, and South Korea.

Alatas on ASEAN Refugee Stand, U.S. Ties

BK2607124090 Jakarta ANTARA in English 1023 GMT 26 Jul 90

[Text] Jakarta, Jul 26 (OANA-ANTARA)—The stance of the Association of Southeast Asian Nations (ASEAN) in the issue of the Indochinese boat people, especially on the implementation of the Comprehensive Plan of Action (CPA) is not a sign of growing differences with the United States, Indonesian Foreign Minister Ali Alatas said here Wednesday afternoon.

During a press conference marking the end of the 23d ASEAN Ministerial Meeting (AMM), Minister Alatas, however, said that the six nation non-communist grouping might have been critical towards the United States and Vietnam on the Cambodian and the boat people issues.

In a joint statement on the two problems issued Tuesday [24 July], the ASEAN foreign ministers said that, among others, the CPA must be implemented in a balanced and coordinated manner. The ministers—Brunei's Prince Mohamed Bolkiah, Indonesia's Ali Alatas, Malaysia's Abu Hassan Omar, the Philippines' Raul Manglapus, Singapore's Wong Kan Seng, and Thailand's Sitthi Sawetsila—also said that to safeguard their own national interests, they could abandon temporary refugee status for the boat people.

On the decision of the United States to withdraw its recognition towards the the three faction CGDK [Coalition of Government of Democratic Kampuchea] in the United Nations, the ministers' position had remained unchanged as well. Should the explanation of Secretary of State James Baker III on the backgrounds and reasons of the US policy shift be unsatisfactory, the association must continue to differ with Washington, Minister Alatas said. Nevertheless, such a stance should not be seen as growing serious differences with and declining trusts on the United States, he explained. It is all right for friends to be critical of one another, the minister said adding that there was no need to dramatize it.

US Secretary Baker is scheduled to arrive here Thursday afternoon to attend a discussion between ASEAN and its dialogue partners which also include Australia, New Zealand, EC, Japan, and Canada.

ASEAN, which was set up in 1967, so far has always been known as a close friend of the United States.

The three-day discussion with the dialogue partners, officially called the Post Ministerial Conference (PMC), is to begin Friday. Indonesia has been appointed ASEAN's country coordinator for the direct dialog with New Zealand, while Thailand with the United States, Malaysia with the EC, Singapore with Australia, Brunei with Canada, and the Philippines with Japan.

Malaysian Minister on U.S. Policy on Cambodia

BK2707105190 Kuala Lumpur BERNAMA in English 0937 GMT 27 Jul 90

[Text] Kuala Lumpur, July 27 (OANA-BERNAMA)—The United States should adopt "a more realistic approach" in the search for a solution to the 12-year-old Kampuchean problem, Malaysian Defence Minister Tengku Ahmad Rithauddeen said Friday [27 July].

The withdrawal of the United Nations seat of the Coalition Government of Democratic Kampuchea (CGDK) as suggested by the United States would not contribute to resolving the problem, he said. "On the contrary, it will negate all efforts of the last 10 years to find a settlement to the Kampuchean problem," he added.

He was speaking to reporters after talks with the Supreme Commander of the Thai Armed Forces General Sunthon Khongsomphong at his office here.

Tengku Rithauddeen said the United States and Europe should give their support to the CGDK headed by Prince Norodom Sihanouk in efforts to find a speedy solution to the problem. "The United States was also not realistic when it suggested that the Khmer Rouge be excluded from any negotiations," he said. "This was because the Khmer Rouge was one of the important factions in the Kampuchean conflict and it was not correct to exclude them in any negotiations," Tengku Rithauddeen said.

He said he discussed the Kampuchean issue with Gen. Sunthon and agreed that a solution should be found to ensure the stability of the region. They also discussed the security situation along the Malaysia-Thailand border.

Tengku Rithauddeen said Malaysia was satisfied with the level of co-operation with Thailand in the General Border Committee (GBC) and hoped it would be further enhanced.

Tengku Rithauddeen, who is GBC chairman, would lead a Malaysian delegation to the official launching of the Malaysia-Thailand ferry service between Pengkalan Kubur in Kelantan and Tak Bai in south Thailand on 16 August.

On arrival at the Defence Ministry, Gen. Sunthon took the salute and reviewed a guard of honour mounted by 158 officers and men of the Army, Navy, and Air Force.

Gen. Sunthon arrived here Thursday at the head of a high level Thai military delegation in the course of a tour of ASEAN capitals. They will return home later Friday.

Members of the delegation include Deputy Supreme Commander Admiral Sunthon Krathet, Joint Chief of Staff Phisit Salikhup, the director of joint intelligence Lieutenant General Charan Kunlawanit, and the assistant commander-in-chief of the Royal Thai Navy, Admiral Sunthon Ponganan.

Japan

Gorbachev Reportedly Plans To Visit in Spring

OW2707112890 Tokyo KYODO in English 1053 GMT 27 Jul 90

[Text] Moscow, July 27 KYODO—Soviet President Mikhail Gorbachev said Friday he plans to visit Japan in 1991 by the time that the "cherry blossoms."

Gorbachev gave what is his strongest commitment yet to his long- planned Japan visit in a meeting with Daisaku Ikeda, the spiritual leader of the Japan-based lay Buddhist organization Soka Gakkai, a Soka Gakkai official said. The Soviet leader also told Ikeda that he also plans to go to the atom-bombed city of Hiroshima during his stay, and that his visit to Japan is expected to last three to four days.

Gorbachev reportedly threatened to cancel his Japan trip in a meeting in Moscow on Wednesday with House of Representatives Speaker Yoshio Sakurauchi over the row on Japan's claim to four Soviet-held islands off northern Japan. Gorbachev denied the existence of a territorial dispute with Japan during his meeting with Sakurauchi, and reportedly threatened to scrap plans to visit Japan next year if Tokyo intended to concentrate only on the territorial claim. Japan is demanding the return of the islands, occupied by the Soviets since World War II.

Gorbachev's reported threat prompted anxiety in Tokyo about the prospects for his Japan visit, which would be the first by a top Kremlin leader.

In Tokyo, Prime Minister Toshiki Kaifu said Friday he will ask Sakurauchi for details of what was said when he returns home next Thursday.

Taking what appeared to be a conciliatory stance, Kaifu also said in a speech to top Japanese newspaper editors that Japan intends to pursue the return of the four islands in parallel with its policy of expanding cultural and personnel exchanges with the Soviet Union. He said, "We cannot set aside the four islands issue," but added that making the resolution of the dispute a prerequisite for expanding relations would be "too tough" a stance. Kaifu said he would like to see greater bilateral trade, but reiterated that Japan is against providing direct financial assistance.

Says Ready To Make Concessions

OW2707131690 Tokyo NHK General Television Network in Japanese 1000 GMT 27 Jul 90

[Text] Soviet President Gorbachev has said he will carry out his visit to Japan by all means. He said that, if possible, he wants to make the visit in the spring. He added that broad cooperation is needed in Japanese-Soviet relations and that he is ready to make drastic concessions. He made these remarks today when he met with Mr. Ikeda, honorary chairman of the religious group Soka Gakkai. This is the first time that President Gorbachev himself has clearly specified the timing of his visit as next spring and showed an active posture toward his visit to Japan.

President Gorbachev met with Mr. Daisaku Ikeda, honorary chairman of Soka Gakkai, for about 70 minutes at the Kremlin this morning. Mr. Ikeda is now on a visit to Moscow. At the meeting, Mr. Ikeda sought confirmation of the Soviet president's visit to Japan, saying: The Japanese people are eagerly anticipating President Gorbachev's visit to Japan.

In reply, President Gorbachev reportedly said: I will carry out my visit to Japan by all means. Although the Soviet Union will be entering a phase of extreme changes beginning in September, I want to weather through the period and visit Japan next spring. It is the first time that President Gorbachev has shown an active posture toward his visit by naming next spring as the time for his visit.

President Gorbachev expressed strong dissatisfaction with the current Japan-Soviet relationship. He said: Stereotyped speeches must be discontinued. Although there are no formal diplomatic relations with South Korea, economic cooperation with that country has made progress. I have even received a letter from President No Tae-u. On the other hand, Japan and the Soviet Union are in an unnatural state, making us feel uncomfortable.

President Gorbachev continued: If Japan and the Soviet Union start cooperating with each other, problems will be resolved. It is unnatural for the two countries not to have dialogue. I am prepared to make drastic concessions to Japan.

Thus, he reaffirmed the Soviet desire to promote exchanges in broad areas without adhering to the northern territories issue. At the same time, he manifested a strong desire for improved relations between the two countries by using the word concessions.

New Zealand Prime Minister Arrives in Tokyo

OW2507172690 Tokyo KYODO in English 1537 GMT 25 Jul 90

[Text] Tokyo, July 25 KYODO—New Zealand Prime Minister Geoffrey Palmer arrived in Tokyo on Wednesday on a three-day official visit to Japan.

During his stay in Japan, Palmer will meet Emperor Akihito and Empress Michiko, Prime Minister Toshiki Kaifu and other government officials.

Palmer will have talks with Kaifu on various issues, including how to step up bilateral cooperation on the protection of the environment, when they meet on Thursday, government officials said.

Both leaders are also expected to confirm the importance of achieving a final settlement in the Uruguay round of multilateral trade talks by December, the officials said.

They also said Kaifu will brief Palmer on the details of the Houston summit of seven major industrial powers on July 9-11.

Talks With Kaifu

OW2607132290 Tokyo KYODO in English 1248 GMT 26 Jul 90

[Text] Tokyo, July 26 KYODO—New Zealand Prime Minister Geoffrey Palmer told Prime Minister Toshiki Kaifu on Thursday he welcomes Japan's playing a bigger international political role, and suggested boosting the frequency of cabinet-level exchanges, a Foreign Ministry official said.

The official said Palmer commended Japan for being sensitive to concerns of other nations, citing Japan's decision to suspend use of environmentally destructive driftnet fishing in the South Pacific. Japan, reacting to environmentalist criticisms, announced earlier this month it would suspend driftnet fishing a year before a United Nations moratorium is to come into effect.

Palmer, who concurrently serves as environment minister, also mentioned whaling, but did not make any direct requests, the official said.

Palmer, the first New Zealand premier to visit here since 1981, said that while other nations are growing increasingly sensitive to snowballing Japanese investment, New Zealand would like more. Japanese investment in New Zealand has dropped in recent years from 120 million dollars in 1987 to 100 million dollars last year.

The two prime ministers concurred that it is important to make multilateral trade talks on farming issues a success. Kaifu added that he hoped to gain international understanding at at the Uruguay Round of trade talks of Japan's position on "food security." Japan imports over half of its food, and argues that it should be entitled to restrict rice imports to maintain a sure food supply.

Palmer arrived here Wednesday for a three-day official visit.

Warns of Trade System Collapse

BK2707095890 Hong Kong AFP in English 0822 GMT 27 Jul 90

[Text] Tokyo, July 27 (AFP)—New Zealand's Prime Minister Geoffrey Palmer warned Friday that the global trading system was likely to collapse if the Uruguay Round of trade talks failed to reach a compromise on agricultural subsidies.

"We continue to encounter long-held and deeply ingrained beliefs about agricultural self-sufficiency which negate the potential for international trade in primary and processed foodstuffs," he said.

Mr. Palmer, speaking at the Tokyo Chamber of Commerce and Industry, called on Japan, the United States and Europe to provide leadership in the stalled Uruguay Round, sponsored by the General Agreement on Tariffs and Trade (GATT) and due to expire at the end of this year. "If no agreement is reached, the world trading system is likely to collapse," he later told a news conference. "The result will be a disaster."

Mr. Palmer said that New Zealand was "sick and tired" of arguments defending subsidies for farming which would not be acceptable in the industrial sector. "We cannot see the distinction," he said. "We demand common justice."

The visiting premier was to meet with Emperor Akihito later Friday followed by talks with International Trade and Industry Minister Kabun Muto. He was also scheduled to meet former Prime Ministers Noboru Takeshita and Yasuhiro Nakasone before leaving for the annual meeting of the South Pacific Forum in Vanuatu.

Mr. Palmer, who arrived here Wednesday, met Prime Minister Toshiki Kaifu Thursday after playing a round of golf with Ichiro Ozawa, secretary general of the ruling Liberal Democratic Party.

Companies Get Indonesian Power Generator Order

OW2407141190 Tokyo KYODO in English 1330 GMT 24 Jul 90

[Text] Tokyo, July 24 KYODO—Mitsubishi Heavy Industries Ltd., Japan's largest comprehensive heavy machinery maker, said Tuesday it has received an order from an Indonesian governmental agency for thermoelectrical power generating equipment. The company has obtained the order jointly with Mitsubishi Corp., a major Japanese trading house, and Siemens AG of West Germany.

Perusahaan Umum Listrik Negara (PLN), Indonesia's electrical power agency, has placed a bulk order for a new 1.5 million kilowatt power plant generated by both natural gas and petroleum, Mitsubishi officials said. The power plant will cost an estimated 100 billion yen and will be the most powerful in the country. The facilities will be set up in Surabaya, in eastern Java.

Mitsubishi will furnish the principal machinery and equipment used for the facilities that will combine gas and steam-powered turbines. The Japanese firms will also be in charge of the overall coordination.

Siemens will provide the electrical goods, including the generator, the officials said.

The power plant is scheduled to begin operating in July 1993, they added.

$4 Million Drought Damage Assistance to Peru

OW2707035390 Tokyo KYODO in English 0208 GMT 27 Jul 90

[Text] Tokyo, July 27 KYODO—The Japanese Government decided Friday to extend urgent aid of 4 million dollars to Peru to help ease damage caused by a drought in the Latin American country. Prime Minister Toshiki Kaifu promised to consider the aid when he met Peru's President-elect Alberto Fujimori in Japan earlier this month. Government envoy Shigeru Kasuya, a Diet member, will tell Fujimori of the decision on the aid when he attends Fujimori's inauguration ceremony Saturday.

Mongolia

Further Reportage on 22 Jul Primary Elections

Opposition Contests Results

LD2607095690 Belgrade TANJUG in English 0915 GMT 26 Jul 90

["Pool" item]

[Text] Ulaanbaatar, July 26 (APS)—The Mongolian oposition parties Wednesday contested the official results of Mongolia's first free elections.

An electoral commission official told the press that the opposition complaints after the publication of the results of Sunday's first round of parliamentary elections were justified.

He noted that 34 opposition candidates who had won in the first round had been presented as communists or members of another movement.

In the second round next Sunday 799 candidates out of the initial total of 2,400 will contest the 430 seats in the People's Assembly (Grand Hural).

The government announced on Tuesday that 101 of the winning candidates were opposition members.

"It was chaos. We do not have any experience in electoral matters," explained an official of the National Electoral Commission, adding "it seems that some 135 candidates who won were from opposition parties."

He added that the election results were still being contested in three constituencies, where the number of ballot sheets exceeded the registered number of voters.

The opposition leaders said the other 34 candidates out of its ranks to have won in the first round would probably not enable it to win a majority in parliament. It is expected that the assembly will be dominated by communists.

Opposition Leaders Comment

OW2607133690 Ulaanbaatar International Service in English 1200 GMT 26 Jul 90

[Text] Leaders of the opposition Coalition of Democratic Forces in general elections have held a press conference reviewing the outcome of the primary elections held last Sunday. [22 July] They have noted that the coalition has every chance to challenge the ruling Mongolian People's Revolutionary Party [MPRP] in the state Small Hural, supreme legislative body to be elected by the People's Great Hural.

After the 22 July primary elections, 136 candidates nominated by the opposition have been left on the list of those who will be contending for 430 seats in the People's Great Hural on 29 July.

Addressing the press conference, Mr. (Erdun Battol), leader of the most powerful challenger of the Mongolian People's Revolutionary Party, the Mongolian Democratic Party, said that compared with previous elections, this year's one is a major move toward democracy. And in conclusion, the Mongolian Democratic Party judged [as heard] from the primary is that people do support us, and we expect their vote on 29 July, said Mr. Battol.

G. Ochirbat on MPRP Participation

OW2607135090 Ulaanbaatar International Service in English 1200 GMT 26 Jul 90

[Text] Chairman of the Mongolian People's Revolutionary Party [MPRP] Central Committee Gombojabyn Ochirbat said that 640 members of the Mongolian People's Revolutionary Party will be running in general elections on 29 July. A number of them have been nominated by the opposition parties and public organizations, he said.

Thus the Mongolian People's Revolutionary Party members constitute the bulk of the contenders. The total number of them is 799.

UNEN Views Primaries

OW2607183190 Ulaanbaatar MONTSAME in English 1706 GMT 26 Jul 90

[Text] Ulaanbaatar, 26 Jul (OANA-MONTSAME)—The first stage of elections, the primary selection of candidates to the deputies of the People's Great Hural (PGH) of all levels, at the electoral constituencies which nominated three or more candidates, ended here. The current elections differ from the previous ones by the fact that many constituencies nominated a dozen of candidates instead of one as it used to be earlier. That testifies to the deepening of democracy and processes of restructuring underway in the country, the ruling party paper "UNEN" wrote.

Each candidate to the deputies popularized his own programme which reflected not only his plans and ideas but recommendations given by scholars and experts, wishes and proposals of voters concerning vital problems of the country's development, as well as people's life, the paper noted. In other words, the candidates' programmes became a final result of a collective reason, a kind of psychological research, search for efficient ways of restructuring. Even if a candidate was not chosen as a deputy, the property of public thinking contained in his or her programme, should not be forgotten, and must be studied and implemented into practice, "UNEN" stressed.

The paper also published letters from voters dealing with the primary selection.

A voter T. Ganbat wrote that the current elections were conducted in the conditions of multiparty system and democratization of the country's social life. "We are to learn genuine democracy and respect people's opinion. All political parties taking part in the elections must take it into their consideration", pointed out T. Ganbat.

"Candidates to the deputies of the People's Great Hural who lost during the primary selection have to draw conclusions on the causes of their defeat and bear it in their minds in their future activities", was C. Nyamsuren's opinion.

According to G. Gombo, from Suhbaatar Aymag (province), many candidates to the deputies of PGH were leaders of certain organizations and had an opportunity to take concrete measures on improving people's life. The others who did not have such an opportunity, had only to promise to display that or another activity and turn to abovestanding organizations or departments. The voters had to take into account that fact, he underlined.

MPNP News Conference

OW2607184690 Ulaanbaatar MONTSAME in English 1715 GMT 26 Jul 90

[Text] Ulaanbaatar, 26 Jul (OANA-MONTSAME)—"As a result of primary selection of candidates to the deputies of People's Great Hural (PGH) of all levels, only 18 rpt 18 out of 31 people nominated by our party are to continue their struggle. We think that it is a success", D. Suherdene, vice-chairman of the Mongolian Party of National Progress (MPNP), said at a press conference organized for Mongolian and foreign journalists at the press centre of the MPR [Mongolian People's Republic] Foreign Ministry.

He further underlined that despite small political experience, the MPNP which centres attention on the necessity of reviving national consciousness, was actively working during the pre-election campaign. That is why its representatives gained considerable support among voters. At one of the constituencies of Ulaanbaatar G. Ochirbat, chairman of the ruling MPRP [Mongolian People's Revolutionary Party] Central Committee and D. Ganbold, Presidium member of the MPNP are left to compete, D.Suherdene said.

MSDP Holds News Conference

OW2607185190 Ulaanbaatar MONTSAME in English 1718 GMT 26 Jul 90

[Text] Ulaanbaatar, 26 Jul (OANA-MONTSAME)—"The primary selection of the candidates to the deputies of PGH [People's Great Hural], held on 22 July, left 18 rpt 18 representatives of the Mongolian Social-Democratic Party (MSDP). We regard it as a success", S. Mendsaihan, secretary of the MSDP, announced at a press conference for Mongolian and foreign journalists held at the press centre of the MPR [Mongolian People's Republic] Foreign Ministry.

"I cannot say that the current elections were genuine democratic and just ones. However, they have some positive sides as compared with previous elections to the central and local bodies of state power. These elections involving all officially registered parties could be regarded as an important step towards developing democracy and restructuring of political system of our country. According to its results the constantly functioning baga hural (parliament) called to play a key role in the country's socio-economic life is to be formed, S. Mendsaihan stressed.

Concerning the activity of the MSDP, he underlined that the party was aiming at carrying out a struggle for creating all conditions for Mongolia to become a flourishing country with a well off population.

According to him, today the MSDP involves more than 4000 rpt 4000 members representing various strata of population.

MONTSAME Reviews Papers

OW2607203790 Ulaanbaatar MONTSAME in English 1722 GMT 26 Jul 90

[Text] Ulaanbaatar, 26 Jul (OANA-MONTSAME)—The Mongolian central papers are continuing to comment on the results of primary selection of the candidates to the deputies of People's Great Hural (PGH) of all levels, held on 22 July. The governmental paper "ARDYN ERH" published a list of candidates to the deputies of the MPR [Mongolian People's Republic] People's Great Hural of 12th convocation who remained after the primary selection. The list of candidates to the deputies of Ulaanbaatar People's Hural, district and sub-districts hurals was published in the capital's "NIYSLELIYN SONIN BICHIG" paper.

"ARDYN ERH" reports on the meeting of P. Ochirbat, Presidium chairman of the MPR People's Great Hural with his electors. P. Ochirbat was nominated for a candidate of the PGH to the deputies of the country's supreme body of state power by miners from Sharyn Gol Town. He told his electors about the measures taken by the government aimed at fostering Mongolia's socio-economic development and increasing people's living standards, as well as prospects of further development. As the paper notes, P. Ochirbat obtained almost 80 percent of votes during the primary selection.

"People's Party" is the title of today's issue of the ruling MPRP [Mongolian People's Revolutionary Party] paper "UNEN". Its signed article notes that the MPRP played a decisive role in the victory of the people's revolution, which freed the Mongolian people from colonial and social oppression. The paper underlines that over the past period the MPRP had realized all tasks put forward in its programmes and each of which meant implementation of new progressive transformations in the country's socio-economic life. The signed article stresses that the fifth programme of the MPRP adopted at its extraordinary congress (April, 1990) was targeted at creating a humane, democratic and socialist society and that tte content of it meets the interests of not a part of population but radical interests of entire Mongolian people.

"UNEN" has also published speeches by candidates to the deputies of PGH nominated by the MPRP. They tell about their programmes, share views and plans which are to be realized in case they're elected to the deputies of PGH.

The paper publishes a pre-election advertisement where it calls upon people to vote for the MPRP which is being renewed. The advertisement says that the ruling party places interests and unity of people above all, as well as free development and well being of every citizen, deepening of democracy, equality and justice.

The trade union paper "HODOLMOR" informs that the Presidium of the Central Council of Mongolian Trade Unions made a statement on measures to be taken in order to increase the efficiency of control over the labour protection.

"HODOLMOR" has also published an article devoted to the brain surgery department at the Ulaanbaatar Clinic No 3.

The paper notes that the department is successfully making operations on brain. Among the foremost Mongolian brain surgeons the paper names Doctors D. Hairuul and his followers D. Jabdzmaa, B. Oyun, P. Dondow and others.

Green Party, MFLP News Conferences

OW2607184090 Ulaanbaatar MONTSAME in English 1735 GMT 26 Jul 90

[Text] Ulaanbaatar, 26 Jul (OANA-MONTSAME)—Today representatives of the Mongolian Green Party (MGP) and the Mongolian Free Labour Party (MFLP) held press conferences at the press-centre working at the MPR [Mongolian People's Republic] Foreign Ministry.

M. Ganbat, vice chairman of the MGP, told about his party's participation in the 22d July primary selecton of the candidates competing for seats in the People's Great Hural (PGH), the highest body of state power in Mongolia. He said that 8 rpt 8 out of 20 rpt 20 MGP nominees would head on for the final leg of the elections to take place on 29 rpt 29 July. M. Ganbat stressed that the MGP having now about 1300 rpt 1300 members, would do its best to win at least one seat in the state baga (small) hural which will be a 53-member parliament formed by the PGH.

R. Bayasgalan, secretary of the MFLP Central Committee, informed that 3 out of 4 rpt 3 out of 4 candidates nominated by his party to the PGH deputies would run in the final stage of the general elections.

P. Ochirbat Meets With Voters From Sharyn Gol

OW2607192990 Ulaanbaatar MONTSAME in English 1734 GMT 26 Jul 90

[Text] Ulaanbaatar, 26 Jul (OANA-MONTSAME)—The governmental paper "ARDYN ERH" informs that P. Ochirbat, Presidium chairman of the MPR [Mongolian People's Republic] People's Great Hural [PGH], met with miners from Sharyn Gol Town who nominated him for a candidate to the deputies of the PGH (Mongolia's supreme body of state power).

P. Ochirbat told the electors about the current situation and prospects of the country's socio-economic development, growth of its foreign economic trade relations as well as answered question put by the electors. He also familiarized himself with the work of the enterpises and cultural services in the town. As well as miners' wishes and proposals.

As the paper points out, P. Ochirbat gained about 80 rpt 80 votes [as received] during the primary selection of candidates to the deputies of People's Great Hural held on 22 July.

P. Ochirbat Discusses Reforms in North

OW2607142090 Ulaanbaatar International Service in English 1200 GMT 26 Jul 90

[Text] Chairman of the Presidium of the People's Great Hural of Mongolia Punsalmaagiyn Ochirbat has visited the city of (?Selenge), northern Mongolia, and has met with the working people there.

Mr. Ochirbat has been nominated as a candidate to deputy by Mongolian People's Revolutionary Party [MPRP] primary organization in that city, and won 80 percent of votes at the primary elections last Sunday.

In (?Selenge), Punsalmaagiyn Ochirbat spoke extensively about reforms and on foreign policy matters.

Official Holds News Conference on Defense Policy

OW2607182490 Ulaanbaatar MONTSAME in English 1743 GMT 26 Jul 90

[Text] Ulaanbaatar, 26 Jul (OANA-MONTSAME)—The defence policy of the Mongolian People's Republic [MPR] is aimed at ensuring peaceful conditions for building a humane and democratic society in the country, strengthening mutual understanding and cooperation with all the states, Colonel D. Dorjgotob, first deputy chief of the General Staff of the Mongolian People's Army (MPA), said today. He held a press conference for Mongolian and foreign journalists at the MPR Foreign Ministry.

D. Dorjgotob noted that the MPR was consistently working for eliminating the military threat and strengthening trust the world over, in particular in the Asia-Pacific region. This objective is being served by the MPR Government's decision to reduce significantly the Army personnel. In the past two years it had been cut by 19000 rpt 19000 servicemen, including 2200 rpt 2200 officers. This year alone 16 rpt 16 military units have been dismantled, he said.

Over the last two years more than 600 rpt 600 lorries and other motor vehicles were turned over to the branches of the national economy. The means released as a result of the cuts are being channelled to the economy for [words indistinct] and ensuring its rapid growth, D. Dorjgotob said. He underscored that while reducing the personnel the Army command does its best to solve the problems of finding jobs for those laid-off.

Speaking on the withdrawal of Soviet troops from the Mongolian territory, D. Dorjgotob said that more than 80 rpt 80 percent of them had returned home in line with the agreement reached between the two sides. The Soviet contingent stationed temporarily in the MPR territory will be pulled out fully in 1992, he said.

North Korea

N-S Conflict Over Pan-National Rally Continues

Nationals in Japan Supportive

SK2007104890 Pyongyang KCNA in English 1004 GMT 20 Jul 90

[Text] Tokyo July 18 (KNS-KCNA)—The League of Korean Youth in Japan, the Union of Korean Students Studying at Japanese Schools and the Committee of Korean Students in Japan in a joint statement on July 17 expressed the resolution of the Korean youth and students in Japan to take the van in the struggle for the promotion of national reunification and a successful August 15 nationwide conference.

Noting that a nationwide conference for the peace and reunification of the country will be held at Panmunjom on August 15 with attendance of compatriots in North, South and overseas, the statement said that a nationwide struggle for a successful conference is being waged vigorously in the North and the South of the country and among broad strata of overseas compatriots.

The statement stressed:

Our youth and students in Japan, the masters of the future reunified country, bear deep in mind their mission to take the van in the struggle for a successful nationwide conference, holding high the slogan "Let us become pioneers of the era in achieving reunification cause".

More on 'Anti-Communist' Groups

SK2607053790 Pyongyang KCNA in English 0516 GMT 26 Jul 90

[Text] Pyongyang July 26 (KCNA)—The North side's Preparatory Committee for the Pan-National Rally released a statement today denouncing the scheme of the South Korean authorities to thrust anti-communist organisations into the Pan-National Rally and make it abortive.

In Seoul 58 organisations including the "Council for National Unification," the "Committee To Promote the Reunion of 10 Million Divided Families" and the "Union of South Korean Women", the "government"-controlled anti-reunification and subsidized organisations, have reportedly decided to unilaterally participate in the Pan-National Rally and reached an agreement to attend the preliminary contact due today.

Still worse, even the "South Korean General Federation of Liberty", the group of anti-communist splittists, is trying to take part in the rally.

It is only too clear that if the "government"-controlled organisations of South Korea participate in the rally, it would tarnish the noble character and purport of the rally, lay great difficulties and obstacles in the way of its successful progress and, furthermore, break up the rally itself, statement says, and continues:

We can easily guess here that the South Korean authorities are seeking a sinister purpose to thrust anti-communist organisations in the Pan-National Rally and turn it into a pandemonium and render it abortive.

Out of the noble stand to make the rally a hard-won historic assembly of patriotic, national and democratic forces for reunification, we hold that 58 "government"-controlled anti-reunification organisations of South Korea must never be allowed to participate in the rally.

If the South Korean "government"-controlled organisations want to participate in the rally, they must officially manifest, before it is too late, their firm stand of unconditionally supporting the three principles of national reunification—independence, peaceful reunification and great national unity—laid down in the historical July 4 joint statement, and demanding the release of all leading officials and members of "Chonminnyon [National Democratic Alliance of Korea]", "Chondaehyop [National Council of University Student Representatives]" and other national democratic organisations of South Korea who are detained for conducting righteous activities for reunification.

Unless they make such position clear, they will never be able to participate in the historic Pan-National Rally.

North Delegates Make Statement

SK2607152590 Pyongyang Domestic Service in Korean 1300 GMT 26 Jul 90

[Statement of the delegation of the North side's preparatory committee for the Pan-National Rally issued on 26 July at Panmunjom—read by announcer]

[Text] The delegation of the North side's preparatory committee for the Pan-National Rally came to Panmunjom at 1100 on the morning of 26 July to participate in the second round of preliminary contacts for the Pan-National Rally to be held in Seoul.

However, the South Korean authorities, who acted as if they would allow our side to go to Seoul by giving us a memorandum ensuring our personal safety, premeditatedly created obstacles here in Panmunjom and kept our delegation from crossing over to the South side's area of Panmunjom.

The South Korean authorities, pushing aside the delegation of the National Democratic Alliance of Korea [Chonminnyon], the sponsor that is supposed to receive us, impertinently sent officials of the Unification Board—who lied that they were authorized by Chonminnyon—and claimed that they would escort our delegation.

Such an act by the South Korean authorities is rude and is unimagineable from the standpoint of either common sense or the general practice of having the inviting party lead the way.

The party that invited our delegation is Chonminnyon, the very promoter of the Pan-National Rally, and upon the invitation of Chonminnyon, we were to go to South Korea. Thus, it is normal and natural etiquette that Chonminnyon should escort us.

However, the authorities, who have no moral authorization to represent Chonminnyon, attempted to interfere in matters that involved us and Chonminnyon, claiming to be the inviting side. This is indeed a shameless act, going against even common sense. While lying that they agreed with us, they ignored the housing arrangements and the venue of talks that Chonminnyon had designated for our delegation and deployed more than 1,300 policemen consisting of 11 companies around the quarters and the venue of talks that they themselves had freely designated. Thus, they forced Chonminnyon to use them.

With regard to housing, which they claim both sides have agreed on, the South Korean authorities, during the working-level contact with us, made a deceitful statement that they designated housing arrangements according to an agreement with Chonminnyon, and they lied to Chonminnyon that they had made housing arrangements after agreeing with us.

Because of such impure maneuvers of the South Korean authorities, unexpected confusion and serious difficulties are being created before the Seoul preliminary contact for the Pan-National Rally.

Out of a sheer desire to realize the second round of preliminary contacts for the Pan-National Rally at any cost by settling the prevailing situation, our side tried to persuade the South Korean authorities with generosity and made concessions.

By making a great concession, we even proposed that the relevant figures of Chonminnyon escort us together with the officials of the Unification Board, although Chonminnyon should have been the ones to escort our delegation.

However, the officials of the Unification Board, who harbored impure intentions from the outset, totally refused to do this and stubbornly insisted on their unjust claim, noting that their position could not be changed.

All this shows that the South Korean authorities, who pretended that they would allow our delegation to participate in the Seoul preliminary talks—under the pressure of public opinion at home and abroad—attempted to block our delegation's passage to Seoul by premeditatedly creating obstacles, having been embarrassed by the enhanced interest of all fellow countrymen in the Pan-National Rally and heightened aspirations of the people for reunification, thus advancing toward frustrating the Pan-National Rally.

Our delegation urges the South Korean authorities to give us a clear answer. They blocked the passage of a few members of our delegation to Seoul and physically blocked the entry of even a single member of Chonminnyon to the Panmunjom area. How on earth can they carry out the great national exchange and allow free travel?

It is again confirmed that the remarks made by the South Korean authorities about a great national exchange, free travel, and so forth are nothing but a political plot to settle their serious political unrest and crisis in their rule and to frustrate the Pan-National Rally.

A foolish trick cannot fool anyone. If the South Korean authorities think they can achieve their splittist aims by interfering in the Pan-National Rally, this is a great miscalculation.

The South Korean authorities should not create artificial obstacles to the participation of our delegation in the second round of preliminary talks nor should they hinder any longer Chonminnyon's delegation from coming to Panmunjom and greeting and escorting us.

The delegation of the North side's preparatory committee for the Pan-National Rally hopes that the second round of preliminary contacts will be held without fail, although this was not realized on 26 July due to the hindrance of the South Korean authorities. It has decided to withdraw temporarily from Panmunjom to Kaesong at 2000.

Recognizing that Chonminnyon's invitation to our delegation is still effective, we inform Chonminnyon that we will come to Panmunjom again at 0900 on the morning of 27 July and will await Chonminnyon's escort.

Our position proceeds from the firm determination to realize the second round of preliminary contacts at any cost together with Chonminnyon and to declare the Pan-National Rally on 15 August a sacred great national festival for reunification.

We strongly urge the South Korean authorities once again to understand correctly our determination and to clear the way for our delegation to hold a historic meeting with representatives of Chonminnyon and overseas Koreans.

We will watch the attitude of the South Korean authorities tomorrow at Panmunjom.

[Signed] The Delegation of the North Side's Preparatory Committee for the Pan-National Rally
[Dated] 26 July 1990, Panmunjom

KCNA Reports Statement

SK2607154090 Pyongyang KCNA in English 1513 GMT 26 Jul 90

[Text] Panmunjom July 26 (KCNA)—The delegation of the North side's preparatory committee for the Pan-National Rally today published a statement after it failed to cross the South side's portion of Panmunjom as had been scheduled due to the deliberate obstructions created by the South Korean authorities at Panmunjom, though they had shown willingness to allow the entry of our side into Seoul for participation in the second preliminary contact for the Pan-National Rally.

The statement says:

The South Korean authorities, elbowing aside representatives of the coalition for national democratic movement (Chonminnyon), the host side which was to receive our delegation, outstretched themselves by offering "guidance" to our delegation by sending an official of the "reunification board," even telling the lie that they had been entrusted by Chonminnyon.

The inviter of our delegation is none other than Chonminnyon, the sponsor of the Pan-National Rally, and we were to go to South Korea upon its invitation. So it is normal and proper for Chonminnyon, the inviter, to come out and guide us. But, the authorities who have no justification at all to act for Chonminnyon tried to meddle in the affairs of us and Chonminnyon, styling themselves the "inviter." This is, indeed, a shameless act beyond common knowledge. Worse still, they ignored the lodgings for our delegation and the venue of talks appointed by Chonminnyon itself, telling the lie that they had agreed with us about this and then posted 1,300 police of 11 companies around the lodgings and conference hall designated by them and tried to force Chonminnyon to use those places.

As for the question of the lodgings about which they claimed to have reached an "agreement" with us, the South Korean authorities, at their working-level contact with us, told the lie that they had appointed the lodgings by agreement with Chonminnyon and told Chonminnyon the lie that they had chosen it through "agreement" with our delegation.

Owing to such insidious moves of the South Korean authorities, an unexpected confusion and serious obstacles have been created to the Seoul contact for the Pan-National Rally.

Our side, out of the desire to save the situation and bring the second preliminary contact for the rally to success at any cost, not only magnanimously persuaded the South Korean authorities but also made concessions. Though it was proper that our delegates are guided by Chonminnyon, our side made a broad-minded concession in proposing that it be guided by an official of Chonminnyon as well as an official of the "Unification Board".

But the official of the "Unification Board" who came out with a sinister purpose totally rejected this and insisted on the unreasonable demand, saying his side's stand is "unchangeable".

All these facts clearly show that the South Korean authorities who had said they would allow our delegation's participation in the Seoul preliminary contact under the pressure of public opinion at home and abroad, are trying to block the way of our delegation to Seoul and foil the Pan-National Rally by means of premeditatedly laying obstacles to it, upset by ever growing interest of the fellow countrymen in the rally and the rising desire of the people for reunification.

Our delegation demands a clear answer from the South Korean authorities.

While preventing even a few delegates of our side from going to Seoul and physically barring an official of Chonminnyon from entering the Panmunjom area, how can the South Korean authorities realise the "grand inter-Korean exchanges of people" and "free travel".

This proves once again that the "grand inter-Korean exchanges of people" and "free travel" advertised by the South Korean authorities are nothing but a political intrigue to remove their serious political uneasiness and bridge over the ruling crisis and frustrate the Pan-National Rally.

The South Korean authorities must not create artificial obstacles to our delegation's participation in the second preliminary contact nor hinder any longer delegates of "Chonminnyon" from greeting and guiding us at Panmunjom.

The delegation of the North side preparatory committee for the Pan-National Rally decided to withdraw to Kaesong from Panmunjom at eight in the evening in the hope that the second round of preliminary contact would certainly be held on July 27, though it failed today owing to the obstruction of the South Korean authorities.

Considering that the invitation extended by "Chonminnyon" to our delegation remains effective, we inform "Chonminnyon" that we will come to Panmunjom at nine tomorrow morning and wait for "Chonminnyon" to guide us. This stand of ours proceeds from the firm will to make the second preliminary contact successful at any cost together with "Chonminnyon" and, further, to make the August 15 Pan-National Rally a grand national festivity of reunification.

We strongly demand once again that the South Korean authorities clearly see our will and open the way for our delegation to have a historical meeting with delegates of "Chonminnyon" and overseas side.

We will watch the attitude of the South Korean authorities at Panmunjom tomorrow.

South Again Refuses Contact

SK2707020090 Pyongyang Domestic Service in Korean 0134 GMT 29 Jul 90

[Text] Here we have a news report filed from Panmunjom.

Our side's delegation is again at Panmunjom at 0900 [0000 GMT] this morning to participate in the preliminary contact for the Pan-National Rally to be held in Seoul.

Our side's delegation has proposed to the South Korean authorities a working-level contact at 0930. However, the South side's working-level team has said that it was directed to meet our side only when our side agrees that the North side's delegation will follow the authorities' escort. It has refused to even hold the contact.

Our side, saying that the two sides' stands can be understood only when the two sides meet each other and discuss, repeatedly has requested holding the contact.

Nonetheless, the South side, as of this hour, still refuses our side's proposal that the two sides meet each other before anything else. As a result, the contact between the working-level personnel of the two sides in Panmunjom has not been held yet.

This is not only why we proposed to hold a consultative conference between the authorities and heads of each political party of the North and the South, in which their highest-level officials participate, to realize free travel and total opening up between the North and the South, but also why we proposed to have a working- level contact to arrange the consultative conference. The South Korean authorities' rejection of the working-level contact cannot be construed any way except as the intention not only to block the road leading toward free travel and total opening up by leaving the concrete wall, the symbol of split, but also to live under the situation of confrontation and division.

Their dark and evil aim was also vividly laid bare to the world even in their attitude that they demonstrated yesterday and today at Panmunjom. The South Korean authorities, which advanced a so-called proposal for national exchange before and after 15 August and openly promised to allow people from our side to freely visit the South side's area and which openly declared to allow free travel for North and the South for the Pan-National Rally participants, blocked the representatives of the National Democratic Alliance of Korea from coming to their area in Panmunjom and went so far as to cunningly block our delegates—who were going to Seoul to participate in the preliminary contact for the Pan-National Rally—from passing through Panmunjom despite the fact that they declared to guarantee their personal safety in the name of their prime minister. Such cunning and dirty acts by the South Korean authorities not only clearly show how tenaciously they are opposing mutual visits and contacts, but also tell us that the so-called proposal for national exchange that they are talking about is deceptive empty talk and a clumsy drama.

Free travel and large-scale opening between the North and the South should be realized without fail to achieve national reconciliation and reunification. Therefore, the consultative conference to discuss and solve this issue should be convened at the earliest possible date.

Although the contact of working-level delegates for preparations of the consultative conference proved abortive today due to the rejection of the South Korean authorities, we are not disappointed by this. As long as all nations urgently want free travel and total opening up, we will continue making, with patience, efforts to realize the consultative conference between the authorities and heads of each political party of the North and the South in which their highest-level officials participate and firmly believe that such efforts of ours will lead, without fail, to that historic day when the door of reunification is opened.

[Dated] 27 July 1990, Pyongyang

Contact on Travel Requested

SK2707040090 Pyongyang Domestic Service in Korean 0254 GMT 27 Jul 90

[Text] Another news report from Panmunjom: In Panmunjom, our side has telephoned the South side requesting that a working-level contact be held to discuss the Seoul travel plans of the delegation of the North side's preparatory committee, which is supposed to participate in the second round of the preliminary contact for the Pan-National Rally.

Stating that it would come to the working-level contact only when we accept the condition that the North side's delegation follow the authorities' escort, the South side rejected our proposal.

As reported, because the South Korean authorities gave our side a memorandum on the guarantee of personal security—as if it would allow our delegation's travel to Seoul—the North side's delegation went to Panmunjom on 26 July with everything prepared and waited there nine hours.

Nonetheless, the South Korean authorities, ignoring the delegation of the National Democratic Alliance which was supposed to receive our delegation in Panmunjom, lied saying that it was delegated by the Chonminnyon and deliberately created obstacles, thus making it impossible for the North side's delegation to cross over to the South side's area in Panmunjom according to schedule.

Our side's delegation—to make the Pan-National Rally a national festival, a grand march of reunification, and a turning point at which the cause of reunification can become the cause of the nation at any cost, according to the aspiration of all compatriots—expected that the Chonminnyon delegates would come to Panmunjom to escort it and repeatedly proposed holding a working-level contact to discuss these matters.

The South side, however, refused to even meet us and up to this time, is obstructing the transit in Panmunjom of our side's delegation.

South's PPD Welcomes Rally

SK2707043990 Pyongyang KCNA in English 0436 GMT 27 Jul 90

[Text] Pyongyang July 27 (KCNA)—A spokesman of the Party for Peace and Democracy [PPD] of South Korea reportedly issued a commentary on July 26 welcoming the convocation of an August 15 Pan-National Rally. We sincerely hope the rally will be a new turning point for peaceful reunification, he noted.

It is a "deformed phenomenon" to hold the rally at a time when Rev. Mun Ik-hwan and woman student Yim Su-kyong and other envoys of reunification are under detention, he said, demanding their immediate release.

He held that the "government" should never use North-South dialogue for a political purpose.

South Acting 'Premeditatedly'

SK2707044490 Pyongyang Domestic Service in Korean 0315 GMT 27 Jul 90

[Text] Here we have news from Panmunjom. Our side's delegates and reporters, who are staying in Panmunjom once again today to attend the second preliminary contact for the Pan-National Rally, have not been able to pass through Panmunjom en route to the South side area.

The South Korean side is refusing to hold a working-level contact for both sides to negotiate the question of transiting Panmunjom and is even avoiding meeting with our side.

Such being the case, our side telephoned the South side's liaison officials in Panmunjom and keeps trying to have contacts with the South side, asking it to let our side know why the South side is avoiding any contact. The South side, however, refusing to reply.

The South Korean authorities are not allowing delegates of the National Democratic Alliance of Korea, now staying in Imjingak, to go into Panmunjom. They are refusing to allow them to go into Panmunjom, saying this is difficult because the officials concerned are not available.

At the same time, the South Korean authorities are also avoiding a working-level contact in Panmunjom. This is not a mere coincidence. This shows that the South Korean authorities are premeditatedly preventing our delegation from transiting Panmunjom.

Chondaehyop 'Welcomes' Contact

SK2707050190 Pyongyang KCNA in English 0455 GMT 27 Jul 90

[Text] Pyongyang July 27 (KCNA)—The "National Council of Student Representatives" (Chondaehyop) of South Korea released a statement on July 26 declaring that it welcomes the second round of preliminary contact for the preparation of the Pan-National Rally in the name of one million students, according to a report.

Expressing full support to the preliminary contact for the Pan-National Rally in the name of one million students, the statement stresses that it sincerely hopes that the preliminary contact will yield good results for national reunification.

The statement says that "Chondaehyop" will encourage the one million students to broadly participate in the Pan-National Rally and thus make the rally a substantial turning-point for the reunification of the North and the South, and it takes this occasion to urge the "government" side to immediately release woman student Yim Su-kyong.

South Makes 'Obstructive Moves'

SK2707050790 Pyongyang KCNA in English 0504 GMT 27 Jul 90

["Stop Dastardly Obstructive Acts"—KCNA headline]

[Text] Pyongyang July 27 (KCNA)—The South Korean authorities cannot evade their responsibility for barring the second preliminary contact for the preparation of the Pan-National Rally from opening as scheduled, says NODONG SINMUN today.

Recalling that the second preliminary contact slated in Seoul on July 26 was unable to open owing to the obstructive moves of the South Korean authorities, the news analyst of the paper says:

It was a deliberate act to foil the preliminary contact that the South Korean authorities did not allow delegates of the "Coalition for National Democratic Movement" (Chonminnyon), the initiator of the Pan-National Rally and our inviter, to enter Panmunjom.

The South Korean authorities which had not invited us and had resorted to every conceivable intrigue to obstruct the convocation of the Pan-National Rally were obtrusive enough to show up and act arbitrarily as if they were the host of the preliminary contact, elbowing aside the Chonminnyon, our inviter and the initiator of the rally. This is an improper behaviour.

Although the preliminary contact failed on July 26 owing to the obstructions of the South Korean authorities, we will make patient efforts to have it.

The South Korean rulers must give up its anti-national design to obstruct the second preliminary contact and bring the Pan-National Rally to failure.

New Escorts, Meeting Proposed

SK2707052690 Pyongyang Domestic Service in Korean 0334 GMT 27 Jul 90

[Text] Our sides's working-level delegate to the second round of preliminary contact for the Pan-National Rally sent a telephone message to the South side's working-level delegate at 1130 this morning [0230 GMT]. The telephone message reads:

To Chong Yong-chae, working-level delegate of the South side:

I have learned through a news report from your side that an agreement has been reached with regard to our delegates' living quarters, the meeting site, and the provision of other conveniences to our delegates in Seoul in the wake of negotiations between representatives of the National Democratic Alliance of Korea [Chonminnyon] and the authorities of your side.

What has been left unresolved now is the issue of escorting our side's delegation. Regarding this issue, as an important proposal in which we make drastic concessions, we propose that our delegates be escorted by the authorities between Panmunjom and Seoul and between Seoul and Panmunjom and that they be escorted by the Chonminnyon. We see that your side has no ground whatsoever to refuse this important proposal of our side. Therefore, we think everything will be fine if the time of our delegation's passage through Panmunjom is agreed upon.

We think it would be agreeable if our delegation passes through Panmunjom at 1200 [0300 GMT]. We once again propose to your side a meeting to decide the time of passage through Panmunjom. We expect you to give an affirmative reply to this.

[Signed] Chong Yong-chun, working-level delegate of the North side
[Dated] 27 July 1990

Affirmative Response Urged

SK2707054090 Pyongyang Domestic Service in Korean 0340 GMT 27 Jul 90

[Telephone message from Chong Yong-chun, the North's working-level delegate to the second preliminary contact for the Pan-National Rally, to Chong Yong-chae, the South's working-level delegate, on 27 July—read by announcer]

[Text] To Chong Yong-chae, the South side's working-level delegate:

I am very sorry that your side has not replied to a telephone message sent by our side a few minutes ago. Out of an earnest desire for our delegates to participate without fail in the second preliminary contact for the Pan-National Rally, I again urge your side to respond affirmatively to issues raised in our telephone message.

Chong Yong-chun, the North side's working-level delegate
27 July 1990

Chonminnyon Entry 'Barred'

SK2707060990 Pyongyang KCNA in English 0534 GMT 27 Jul 90

[Text] Panmunjom July 27 (KCNA)—The outrage of the South Korean authorities barred delegates of the Coalition for National Democratic Movement (Chonminnyon) in South Korea from entering into Panmunjom to meet the delegation of the North side which came to Panmunjom to participate in the second preliminary contact for the Pan-National Rally.

They came to the Imjin Pavilion for Panmunjom to meet the delegation of the North side in order to discuss with it the participation of delegates in the preliminary contact, but were stopped by the South Korean authorities.

The South Korean authorities turned down the request of the Chonminnyon delegates, insisting that they cannot meet it because the latter failed to present an application for their entry into Panmunjom 24 hours before.

'Regret' Over Intransigence

SK2707065490 Pyongyang Domestic Service in Korean 0600 GMT 27 Jul 90

[Text] The working-level delegate of our side's delegation to the second round of the preliminary contact for the Pan-National Rally has today sent a telephone message to the working-level delegate of the South side.

The telephone message reads:

To Chong Ung-chae, working-level delegate of the South side:

We can hardly repress disappointment and sadness over the fact that the South side has stubbornly refused to accept even our rational proposal for negotiation, and has blocked our delegation's participation in the second round of the preliminary contact for the Pan-National Rally to the end. At the same time, we also express deep regret that the South side today has refused and evaded to the end even the primary-level contact between working-level officials of the two sides, though this has become an established normal practice between the North and South, starting long ago.

The South side must bear due responsibility for having blocked the participation in the preliminary contact for the Pan-National Rally by our side's delegation.

I think that the insincere attitude which the South side has adopted today has set a very bad precedent in North-South relations and will bring about worrisome consequences.

[Signed] Chong Yong-chun, working-level delegate of the North side

[Dated] 27 July 1990

Unification Minister Denounced

SK2707072490 Pyongyang Domestic Service in Korean 0528 GMT 27 Jul 90

[Text] This is news just in. Hong Song-chol, the puppet Unification Minister, on 26 July made absurd and preposterous remarks concerning the issue of the participation of our side's delegation in the second round of preliminary meetings for the Pan-National Rally to be held in Seoul.

He raved that the North side defied the basic agreement on following the escort system of the other side, which has been a usual practice between the North and the South until now. He then said the South side would accept our side's delegation if it pledges to follow the escort system of the South.

This is indeed extremely ridiculous and shameless gibberish. The South Korean authorities' remarks about this usual practice are preposterous.

It is basic common sense and morality that the inviting side escorts the visitor and the visitor follows the escort of the inviting side. The one who invited our side's delegation to the second round of preliminary contact to be held in Seoul is clearly the National Democratic Alliance of Korea [Chonminnyon]. Therefore, it is quite natural that our side use the quarters and the venue of talks designated by Chonminnyon, and follow its escort.

The person with the title of unification minister raved about a usual practice. However, as for the usual practice of the North- South dialogue in the past, both sides acted according to the guide of the inviting side during the talks of the North-South Coordination Committee, the Red Cross talks, and on the occasion of home-visiting groups' visit to the other side.

In other words, it is usual practice in the relations between the North and the South that during the period of dialogue sponsored by the authorities, one side follows the guide by the authorities of the other side, and during the period of a visit made at the invitation of the Red Cross, one side follows the guide by the Red Cross of the other side.

We would like to ask a question to the person named Hong Song- chol. You came to Pyongyang as a member of the home-visiting group. Did you get an escort by the authorities?

Hong Song-chol's remarks about usual practice make us doubt whether he thinks in a normal way. In short, Hong Song-chol's absurd gibberish merely revealed the intention not to accept our side's delegation in any case.

Rejecting 'Reasonable' Proposal

SK2707102890 Pyongyang KCNA in English 0959 GMT 27 Jul 90

["South Side Turns Down Even North's Reasonable Compromise Proposal"—KCNA headline]

[Text] Panmunjom July 27 (KCNA)—Although the delegation of our side which came out here at 09:00 today to participate in the second preliminary contact for the Pan-National Rally due to be held in Seoul has proposed a working contact to the South Korean authorities on six occasions, the working official of the South side has continually refused even the contact itself, saying they would meet it on condition that the delegation shall be guided by the authorities.

Under this circumstance, our side was compelled to send a telephone message at 11:30 making a big concession as regards the guidance of our delegation with the important proposal that the authorities guide us from Panmunjom to Seoul and from Seoul to Panmunjom and the "Chonminnyon," the host side of the rally, may undertake the guidance at the lodgings, the conference room and so forth. And we made a proposal setting the time of the passage of our side's delegation through Panmunjom at 12:00.

The South side, however, refused to accept even this reasonable compromise proposal of ours at 12:20, sticking to its unreasonable stand. Hence, the passage of our side's delegation through Panmunjom has not been realized until now.

More on Negotiations for N-S High-Level Talks

Report on Eighth Round

SK2607120090 Pyongyang Domestic Service in Korean 0600 GMT 26 Jul 90

[Text] The eighth round of the preliminary meeting for the high-level North-South political and military talks was held at Tongilgak in our side's area of Panmunjom today.

Numerous domestic and foreign reporters were gathered at Panmunjom to cover the preliminary meeting.

The meeting was attended by five delegates from our side, including Paek Nam-chun, head of the delegation and councilor of the State Administration Council, and five delegates from the South side.

As has been made public, the premier of the DPRK State Administration Council sent a letter to the South side's prime minister on 16 November 1988 proposing to hold high-level North- South political and military talks to discuss measures for easing the state of political and military confrontation, and the South side had agreed to this. As a result, the first round of the preliminary meeting was held on 8 February 1989.

To produce a good result from the hard-arranged preliminary meeting, our side has continued to make concessions and to make all sincere efforts.

As a result, at the preliminary meeting held today, the two sides signed the letter of agreement regarding the convocation of the North-South High-Level Talks amid the great interest of all compatriots of the North and South and of the peaceloving people of the world, and the two sides have announced it to the world.

The letter of agreement regarding the convocation of North-South High-Level Talks was signed respectively from our side by Paek Nam-chun, head of the North side's delegation, and from the South side by Song Han-ho, senior delegate of the South side's delegation, and then the letter of agreement was mutually exchanged.

After the letter of agreement was signed, Paek Nam-chun, head of our side's delegation, made a closing speech at the preliminary meeting.

He said: The letter of agreement regarding the convocation of the North-South High-Level Talks has been made public, and thus the preliminary meeting, which has gone on for nearly one and half years, has come to an end today and the convocation of the full-dress talks is now in sight.

He stressed: Through the arrangement of the North-South High-Level Talks, the premiers of the two sides will mutually travel to Pyongyang and Seoul for the first time since the start of the national division and will discuss important national issues. This is an encouraging development, which sets forth a new chapter in the history of North-South relations and which gives hope and confidence to the people who have turned out in the grand march to achieve the reunification in the nineties.

Recalling the twists and turns experienced since the beginning of the preliminary meeting, arranged through our side's positive initiative, he went on to add: The lesson that has been drawn from the preliminary meeting of the two sides clearly shows that nothing can block the aspiration of the nation and the trend of the times, which seeks not confrontation but dialogue, not tension but detente, and not division but reunification. At the same time, the preliminary meeting has given us a precious lesson that anything can be discussed and solved between the North and South if the two sides equally adopt an earnest attitude to substantially solve problems.

Following such a lesson, the North and the South should strive to make the upcoming full-dress talks a fruitful dialogue to practically open the epochal phase for peace and the peaceful reunification of the nation by ending confrontation both in name and reality, in compliance with the people's aspirations for reunification.

He said: Nothing is more important and urgent for achieving peace and the peaceful reunification of the country than removing the state of acute political and military confrontation between the North and the South. The issue of removing the state of political and military confrontation between the North and the South and of realizing multifaceted cooperation and exchanges should be resolved in such a way as to benefit national reunification.

He expressed the expectations and hope that today's joy in proclaiming the birth of North-South High-Level Talks at home and abroad be linked to a great festive event in national history that will give joy and the pleasure of reunification to all fellow countrymen.

Noting that the aspirations of fellow countrymen for reunification become more ardent as the people mark the 15 August national liberation anniversary each year and as the division is prolonged, he stressed that we should realize at any cost an independent, neutral, and peaceful reunified country on this land in the nineties by ending the division that was enforced by outside forces.

Proceeding from this stand, we put forward a disarmament proposal for peace on the Korean peninsula in late May by embodying the five- point policy for national reunification elucidated by the respected leader President Kim Il-song in his historic policy speech. In early July, we took the initiative in resuming North-South dialogue, which had been ruptured, and put forward a proposal for opening our side's area in Panmunjom as a step for successfully ensuring the contact and visits between the North and the South.

He expressed the sincere hope that our progressive plans will evoke a deserved response from the South side and will bring about excellent results. He continued: Neither the North nor the South should block the path of peace and the peaceful reunification, ignoring the people's aspirations for national reunification and the trends of the times.

In order to resolve the issue of national reunification at an early date in compliance with the people's desire, the barriers of division should be removed and free travel and full-scale opening should be realized instead of a narrow-scale and limited travel and opening. We think that neither side should act to spoil the future of the North-South High-Level Talks.

The head of our side's delegation said: Since the upcoming Pan- National Rally reflects the aspirations of all fellow countrymen for reunification, the North and the South sides should both make every sincere effort to make this rally successful. If the participation of

National Democratic Alliance of Korea [Chonminnyon], which is the promoter of the Pan-National Rally, is not realized and if difficulties are created in the rally, the North-South relations will be further aggravated and irrevocable consequences may result. This would have a bad influence on the full-dress talks. We think that such a situation should not take place.

As we have already stressed, if one constantly brings the reunification issue—the nation's domestic issue—to the outside and continues activities to legalize the nation's division, instead of trying to resolve issues through North-South dialogue, this is the same as pouring cold water on the North-South High-Level Talks.

The head of our side's delegation concluded his statement by stressing that on the occasion of exchanging the letter of agreement, both sides should equally make sincere efforts so that the North-South High-Level talks will be successfully held in compliance with its original mission and the talks will bring about good results.

Paek Nam-chun on Agreement

SK2607140090 Pyongyang Domestic Service in Korean 0703 GMT 26 Jul 90

[Statement by Paek Nam-chun, head of the North side's delegation to the eighth round of preliminary talks for North-South high-level political and military talks, after the signing of the agreement on North-South High-Level Talks in Tongilgak at Panmunjom on 26 July—recorded]

[Text] Today, amid the great interest and attention of the people at home and abroad, we held the eighth round of preliminary talks at Tongilgak and adopted a letter of agreement on the convocation of the North-South High-Level Talks.

After sincere discussions and an exchange of frank and candid opinions between the delegations of the two sides, we reached the final agreement on holding the North-South High-Level Talks and signed and exchanged the letter of agreement, thus presenting it to the world. This is indeed a fortunate and joyful event.

With the announcement of the letter of agreement on the convocation of the North-South High-Level Talks, the curtain was lowered today on our preliminary talks, which have lasted for nearly a year and a half, and we are looking forward to holding the full-dress talks.

The fact that, with the realization of the North-South High-Level Talks, the premiers of both sides can discuss important national issues for the first time since the nation's division while mutually visiting Pyongyang and Seoul is a great encouraging development, which will record a new chapter in the history of North-South relations and will give hope and confidence to all the fellow countrymen who rose in the great march of the nineties toward national reunification.

I express my sincere thanks to the people and reporters at home and abroad for extending their support and encouragement in many ways for the success of our talks.

If we recall the past, we can say that today's results have not been brought about smoothly. Thanks to our initiative in proposing the convocation of the North-South high-level political and military talks in December 1988, the first round of preliminary talks was held in February last year. During the year and a half since that time, our preliminary talks proceeded along a thorny path, undergoing many vicissitudes of discontinuation and resumption due to various disturbances.

In this course, we wasted a great deal of precious time and energy. However, the lessons taught by the preliminary talks are not few.

A lesson that can be drawn from our talks is that no one can block with anything the people's aspirations for dialogue instead of confrontation, detente instead of tension, and reunification instead of division, and the trends of the time. The preliminary talks have also taught that if both parties to the dialogue come to the table of dialogue with a sincere attitude to practically solve problems, there is no issue that the North and the South could not resolve.

I think that learning from such lessons, the North and the South should strive to make the upcoming full-dress talks a fruitful dialogue in name and reality to practically open an epochal phase for peace and the peaceful reunification of the nation by ending confrontation in compliance with the people's aspirations for national reunification.

As is known to all, the expectations of all fellow countrymen and the interest of the world's people in the North-South High-Level Talks are very great. This shows that missions and duties assigned to the North-South High-Level Talks are important and grave.

In fact, nothing is more important and urgent for realizing peace and the peaceful reunification of the nation than removing the state of acute political and military confrontation.

The issue of removing the political and military confrontation between the North and the South and realizing multifaceted cooperation and exchanges should be resolved in such a way as to benefit national reunification.

As the proverb says "By beginning you are half-way there," if the North-South High-Level Talks are held and the real power-holders in the political and military domains from the North and the South get together and successfully resolve the issues of removing the state of political and military confrontation and realizing national reconciliation and harmony, this will result in epoch-making progress in expediting national reunification.

I express my expectation and belief that today's joy in declaring the birth of the North-South High-Level Talks will be linked to a great festive event in national history, which will give joy and pleasure to all fellow countrymen.

Delegates of the South side: In a few days, we will mark the 45th anniversary of the 15 August national liberation. The people's aspiration for reunification becomes more ardent as they greet the 15 August liberation anniversary each year and as the years of division are prolonged.

The fact that at a time when nations that were divided in the past, like us, have either already achieved reunification or are approaching the door of reunification, only our people remain forever divided is indeed deplorable and a national disgrace.

We should realize an independent, neutral, and peaceful reunified country on this land in the nineties without fail. Proceeding from this standpoint, we put forward a disarmament proposal in late May for peace on the Korean peninsula by embodying the five-point policies for national reunification elucidated by the respected leader President Kim Il-song in his historic policy speech. In early July, we also took the initiative in resuming the suspended North- South dialogue, and put forward a proposal for opening our side's area in Panmunjom as a step for successfully ensuring free visits and contacts between the North and the South.

Today the people at home and abroad express positive support to and welcome our new policies for national reunification and our positive steps. They ardently hope that these policies and steps will be realized at an early date.

We sincerely hope that our progressive plans will evoke a deserved response from your side and will bring about excellent results.

Neither the North side nor the South side should block the road for peace and the peaceful reunification, ignoring the people's aspiration for reunification and the trends of the time. In order to open an epoch-making phase for peace and the peaceful reunification of the nation, one should remove the barriers of division and realize free travel and full-scale opening. We recognize that the judicial and systematic mechanism hindering reunification should be dissolved and the freedom to discussing reunification should be ensured.

Neither the North side nor the South side should act to spoil the future of the North-South dialogue. The act of irritating [chakuk] the other side and pursuing confrontation cannot be regarded as a position of resolving the reunification issue in the interests of the nation through dialogue and negotiations.

Since the upcoming Pan-National Rally reflects the aspirations of all people for reunification, both the North and the South should make all sincere efforts so that this meeting will be successfully held.

If the participation of the National Democratic Alliance of Korea [Chonminnyon], which is the promoter of the Pan-National Rally, is not realized and complexity is created in the rally, the North-South relations will be further aggravated and may bring about irrevocable consequences. This may have a bad effect on the holding of the full- dress talks.

We think that such a situation should not take place. As we have already stressed, if one constantly brings the reunification issue—the nation's domestic issue—to the outside and continues activities to legalize the nation's division instead of trying to resolve problems through North-South dialogue, this is the same as pouring cold water over the North-South High-Level Talks.

Availing myself of this occasion in which we exchanged the letter of agreement, I think that both the North and the South should make sincere and earnest efforts so that the North-South High-Level Talks will be successfully held in accordance with its original mission and will bring about good results. Thus, I conclude my remarks on ending the preliminary talks for the North-South High-Level Talks.

South Rejection of Talks Scored

SK2707024490 Pyongyang Domestic Service in Korean 0100 GMT 27 Jul 90

[Statement by An Pyong-su, head of the North side's delegation for working-level contact for a consultative conference between authorities and political party heads, in which North and South highest-level officials will participate, released 27 July—read by announcer]

[Text] As is known, the Committee for the Peaceful Reunification of the Fatherland again on 20 July declared that a consultative conference between the authorities and political party heads, in which highest-level officials of the North and South will participate, will be convened to comprehensively discuss the issue of realizing free North-South visits and total opening up. Following this, as a concrete measure to arrange this consultative conference, the premier of the Administration Council of the Republic sent the persons in authority in South Korea and the president of each political party letters proposing working-level contact of the authorities and the representatives of political parties of the North and South.

Our proposal is a very just and timely proposal that was advanced out of a single desire to open wide the door to reunification, thus alleviating the sufferings caused by division and providing a new phase for national unity and the reunification of the fatherland. However, the South Korean authorities ignored our proposal, found fault with our law, proposed a joint inspection, even into our side's area of the military demarcation line, and put forth the so- called working-level talks of the person in authority in judiciary affairs and the so-called working-level talks of the persons in authority in military affairs.

Even though these proposals by the South Korean authorities are groundless, considering their assertion, on 23 July, we made clear our intention to jointly discuss the South Korean authorities' proposal on removing the wall. Also, after making a further concession, on 25 July, we made clear our willingness to widely discuss all issues concerning North-South relations, including jointly inspecting the concrete wall, and again urged the South Korean authorities to join us in the working-level contact proposed by us.

However, despite our repeated magnanimous, sincere attitudes, the South Korean authorities rejected working-level contact of the authorities and the representatives of various political parties to convene a consultative conference and, as a result, the working- level contact of the authorities and the representatives of political parties of the North and South, slated to be held on 27 July, could not be held.

We consider very regrettable the fact that, contrary to our sincere efforts and the earnest expectations of all the fellow countrymen who hope that doors will open for North-South visits at the earliest possible date, the South Korean authorities rejected today's important working-level contact, which would serve as a starting point toward free mutual visits and total opening up. Also, we cannot help but deplore their double-faced attitude in which, even while talking about national exchange and mutual visits, they refrain from discussing these issues.

As declared by the respected and beloved leader President Kim Il- song during his New Year speech this year and his policy speech at the first session of the Ninth Supreme People's Assembly, realizing free North-South visits and total opening up is a fundamental condition for national unity and reunification. Also, this issue, along with the reunification issue, is a political issue that can be successfully resolved only by responsible politicians in the North and South. It is an important national issue for achieving all fellow countrymen's earnest desires.

Need for Free Travel, Opening Reiterated

SK2707104990 Pyongyang KCNA in English
1031 GMT 27 Jul 90

[Text] Pyongyang July 27 (KCNA)—Free travel and complete opening between the North and the South must be realised for national unity and the reunification of the country and for the consultation and settlement of this matter a North-South top-level conference in which the heads of the authorities and the leaders of political parties will take part be convened as early as possible.

An Pyong-su, head of the North side's delegation to the working-level contact for the North-South top-level conference, said this in a statement today.

Recalling that the working-level contact of representatives of the authorities and of political parties from North and South for the convocation of the conference slated today ended abortive due to the refusal of the South Korean authorities, the head of our side's delegation said:

The refusal of the South Korean authorities cannot be construed otherwise than their intention to leave the concrete wall, a symbol of division, as it is, cut off the road to free travel and complete opening, keep the door closed and live in confrontation and split.

Their sinister intention was revealed in their attitude at Panmunjom yesterday and today.

The South Korean authorities in the proposal for "inter-Korean exchanges of people" around August 15 announced that they would allow people of our side to freely travel the area of the South side and permit the travel of persons of the North and South sides for the Pan-National Rally but they barred representatives of Chonminnyon from coming out to their portion of Panmunjom. Even after they in the name of the "prime minister" guaranteed the personal safety of our delegation going to Seoul to participate in the preliminary contact for the Pan-National Rally, they blocked its way ahead. This crafty and base act clearly shows how persistently they are opposed to travel and contact.

Although the contact of working-level delegates for the preparation of the conference was made abortive today by the refusal of the South Korean authorities, we are not disappointed.

We will continue to make our patient efforts to bring to success the North-South top-level conference in which the heads of the authorities and the leaders of political parties will take part.

Struggle of South's Democratic Groups Assessed

SK2007110190 Pyongyang KCNA in English
1022 GMT 20 Jul 90

[Text] Pyongyang July 20 (KCNA)—The "National Council of Trade Unions" (Chonnohyop), the "National Teachers Union" (Chongyojo), the "Coalition for National Democratic Movement" (Chonminnyon), the "National Council of Student Representatives" (Chondaehyop) and the "National Alliance of the Peasant Movement" (Chonnong) which are the hardcore of the pro-democracy movement in South Korea are democratic organizations representing people of various strata which were formed after the June popular resistance.

What is noteworthy in the struggle of these organizations is that they properly seize occasions that present themselves under the changing situation, take joint steps, put up joint fighting slogans and powerfully wage the anti-U.S., anti-"government" struggle, dealing a heavy blow at the U.S. imperialists and the No Tae-u group.

When the anti-national "Democratic Liberal Party" was framed up in South Korea under the backstage manipulation of the U.S. imperialists, about 50 democratic organizations including "Chonminnyon," "Chonnohyop," "Chongyojo" and "Chondaehyop" vigorously waged the anti-"DLP" struggle after forming the people's alliance for crushing the one-party dictatorship of the "DLP" and achieving the basic rights of the people, the largest democratic organization in South Korea.

After the emergence of the "DLP" large-scale anti-U.S., anti-"DLP" struggle continued for more than two months in 12 cities including Seoul and Pusan. This demonstrated the united strength of the democratic forces fighting for one purpose.

On April 19, the 30th anniversary of the April 19 popular uprising, 60,000 students and dissidents held rallies and protests shouting "Down with pro-American fascist 'government'" and "Crush the three-party merger" in Seoul and other parts of South Korea. Members of democratic organizations and students held a joint struggle for some ten days, chanting "Down with traitor No Tae-u" and "Drive out U.S. imperialists" in major cities including Seoul on the occasion of the tenth anniversary of the Kwangju popular uprising.

The democratic forces of South Korea vigorously staged solidarity struggle and joint struggle, helping each other each time the repressive offensive of the fascist clique was intensified.

In protest against the South Korean fascist clique's moves to stifle "Chongyojo," an independent organization of teachers, not only the members of this organization but also other democratic organizations staged a solidarity struggle in various forms.

"Chonminnyon" and "Chondaehyop" issued statements supporting "Chongyojo" and held rallies and demonstrations last year and this year on more than 30 occasions.

When the members of "Chongyojo" staged a walking rally from April 1 in order to inform the South Korean people of their will for genuine education, 22,000 students and members of democratic organizations joined their ranks. And hundreds of thousands of students and democrats participated in the signature campaign for the reinstatement of dismissed teachers organized by "Chongyojo" members.

When the fascist clique hurled police into the scenes of strike by unionists of the Hyundai Heavy Industries Corp. And the "Korea Broadcasting System" (KBS) in April, "Chonminnyon," "Chongyojo," "Chondaehyop," the "National Federation of Press Unions," the "National Council of Professors for Democracy" and other democratic organizations formed the people's council for crushing the suppression of the unions of the "KBS" and the Hyundai Heavy Industries Corp. and staged a joint struggle.

All facts show that the South Korean democratic forces vigorously stage the movement for anti-U.S. independence and anti-fascist democracy under the common slogan in the teeth of the fascist clique's suppression.

Scholars Support North's Reunification Efforts

SK2707044590 Pyongyang KCNA in English 0438 GMT 27 Jul 90

[Text] Pyongyang July 27 (KCNA)—A declaration was adopted at a joint forum of scholars of various countries for supporting the independent and peaceful reunification of Korea which was held here on July 25 on the occasion of the June 25-July 27 month of anti-U.S. joint struggle.

Highly estimating the sincere efforts of the government and the people of the Democratic People's Republic of Korea to reunify the country on the basis of the three principles of independence, peaceful reunification and great national unity, the declaration says:

Notably, we express unconditional support to the five-point policy for national reunification put forward by President Kim Il-song in his policy speech at the First Session of the Ninth Supreme People's Assembly on May 24 this year.

We also warmly welcome the initiative of the DPRK Government to hold multi-channeled dialogue between the North and the South for national reunification and totally reject the "two Koreas" plot of the United States and the South Korean authorities, attempts to perpetuate the division of Korea.

Expressing resentment at the South Korean authorities' not infrequent violation of human rights, we strongly demand an immediate release of Yim Su-kyong called the "flower of reunification" and all other South Korean political prisoners.

The U.S. occupation army must withdraw from South Korea unconditionally taking along all its nuclear weapons, so that favorable conditions for the independent, peaceful reunification of Korea and the conversion of the Korean Peninsula into a nuclear-free, peace zone might be created.

Availing ourselves of this opportunity, we earnestly call for conducting international campaigns on a most extensive scale in support of the fair and aboveboard initiatives for the independent and peaceful reunification of the country put forward by the president and the government of the Democratic People's Republic of Korea.

Chondaehyop Outlines Action Program for 1990

SK2707103990 Pyongyang KCNA in English 1003 GMT 27 Jul 90

[Text] Pyongyang July 27 (KCNA)—The "National Council of Student Representatives" (Chondaehyop) of South Korea in a resolution adopted at the fourth regular meeting branded the "Democratic Liberal Party" as a pro-American fascist group which seeks dependent rule, long-term office and permanent division, and noted that "anti-national, anti-democratic, and anti-reunification nature" is the essential qualities of this group of traitors, according to a report.

Hence, the resolution said, the action program of "Chondaehyop" in 1990 boils down to destroying the pro-American fascist coalition and crushing the anti- reunification moves of U.S. imperialism and fascism.

It said that for the concrete realisation of this action program "Chondaehyop" would expand the anti-American struggle for independence such as pullout of U.S. forces and nuclear arms and opposition to market opening, anti-fascist struggle for democracy such as smashing the one party dictatorship of the "Democratic Liberal Party", the abolition of fascist laws, the dismantlement of the repressive tools and the demand for the release of prisoners of conscience, the struggle for national reunification such as the realisation of independent exchange between the North and the South and the removal of the military confrontation, the struggle to stop the suppression of popular movements and the struggle to win vital rights.

South Coalition Demands 'Apology' From U.S.

SK2707045590 Pyongyang KCNA in English 0451 GMT 27 Jul 90

[Text] Pyongyang July 27 (KCNA)—The "Coalition for National Democratic Movement" (Chonminnyon) of South Korea July 25 submitted to the U.S. Embassy in Seoul a statement demanding public debates on the pullout of the U.S. forces and South Korea-U.S. relations, according to a report.

The statement urges public discussions with four-member U.S. Government delegation including U.S. Ambassador Gregg on August 7. It demands an end to the U.S. interference in the politics of South Korea.

It also demands that the United States make an official apology for its crackdown upon the Kwangju uprising in 1980.

Newspaper Comments on U.S. 'Aggressive Nature'

SK2707051990 Pyongyang KCNA in English 0508 GMT 27 Jul 90

["NODONG SINMUN on U.S. President's Outbursts"—KCNA headline]

[Text] Pyongyang July 27 (KCNA)—Speaking at a recent ceremony for naming the newly built aircraft carrier "George Washington," U.S. President George Bush blared that the United States must maintain "strength as a superpower" and "be prepared for a war." He described this as "a most effective way of preserving peace."

Hitting out at these bellicose utterances of Bush, a trigger-happy element, NODONG SINMUN in a commentary today says:

This shows that the aggressive nature of imperialists never changes.

"Peace" sought by U.S. imperialism is one to force the whole world to go down on its knees before the United States by strength and rule the roost over the destiny of mankind.

The U.S. imperialists resort to the "peaceful transition" strategy to disorganize socialism from within with an olive branch in one hand and, at the same time, watch for a chance to wield a nuclear club with the other.

They designate the Korean Peninsula as a theatre for showdown of strength.

The newly-built latest carrier "George Washington," too, is reportedly to take the place of the carrier "Midway" whose chief operational zone is the Korean front.

The prevailing situation makes it incumbent upon the world people to heighten vigilance against the U.S. imperialists' "peace" ballad and intensify the anti-war, anti-nuke struggle for peace.

If the United States truly wants peace, it must stop hastening war preparations, withdraw its forces and nuclear weapons from South Korea and other parts of Asia and the world and give up its aggressive designs on other countries.

Foreign Military Attaches Visit War Museum

SK2607050790 Pyongyang KCNA in English 0430 GMT 26 Jul 90

[Text] Pyongyang July 26 (KCNA)—Military attaches of foreign embassies here visited the victorious Fatherland Liberation War Museum on July 25 on the occasion of the June 25-July 27 month of anti-U.S. joint struggle.

They saw the exhibits in the museum, while hearing explanations about how the great leader President Kim Il-song put forward a chuche-based military idea and wisely directed the entire people and the People's Army soldiers and thus led the Fatherland Liberation War to a shining victory.

After making a round of the museum, Military Attache of the Chinese Embassy Wang Dahui, the doyen of the military attaches corps, said that the Korean people defeated the U.S. imperialists in the Fatherland Liberation War, getting over all sorts of difficulties, and thus started them on the downhill.

The members of the military attaches corps fully support the proposals of the Government of the DPRK for peace and easing of tensions on the Korean Peninsula, he said and demanded that the United States quit South Korea, taking along its troops and combat equipment.

He emphasized that the Korean people will certainly reunify the country by their own efforts.

Newspapers Mark Anniversary of Cuban Uprising

SK2607103090 Pyongyang KCNA in English 1022 GMT 26 Jul 90

[Text] Pyongyang July 26 (KCNA)—Papers here today dedicate articles to the 37th anniversary of the July 26 armed uprising of the heroic Cuban people.

NODONG SINMUN says in a by-lined article.

On July 26, 1953, 37 years ago, under the guidance of Comrade Fidel Castro the Cuban revolutionaries attacked the Moncada Barracks, giving a fatal blow to the U.S. imperialists and its stooge Batista dictatorial regime as a glorious prelude to the armed struggle in Cuba.

After the July 26 uprising the revolutionaries and people of Cuba waged an anti-U.S. and anti-dictatorship struggle, overcoming all sorts of difficulties under the militant slogan "Answer the armed enemy with arms" in the teeth of harsh crackdown by the U.S. imperialists and its stooges, and eventually toppled the pro-American dictatorial regime and achieved a great victory of the Cuban revolution on January 1, 1959 and won the first victory of the socialist revolution in Latin America.

From the first days of the victory in the Cuban revolution the U.S. imperialists have resorted to persistent and vicious aggression and subversive moves in political, economic, military, diplomatic and all other fields to destroy the Republic of Cuba in its cradle.

But all the moves of the U.S. imperialists sustained ignominious failures, hit by the decisive counter-attacks of the heroic Cuban people who vowed to fight to the last man under the revolutionary slogan "Fatherland or death, we will win".

Today the Republic of Cuba which is advancing holding the socialist banner in Latin America enjoys the support and encouragement of the world revolutionary people.

The future of Cuba is bright as her people are resolutely defending the socialist banner.

The Cuban people are now braving all the provocative moves of the U.S.imperialists and checking their repeated anti-Cuban offensives in the same spirit as the Cuban revolutionaries displayed in Moncada 37 years ago.

The article emphasizes that however desperately the U.S. imperialists are resorting to the anti-Cuba moves, they can not block the victorious advance of the heroic Cuban people who are fighting to safeguard the socialist banner, firmly rallied behind the Cuban Communist Party headed by Comrade Fidel Castro.

MINJU CHOSON says in an article that the Government of the DPRK will invariably value the friendship with the Cuban people and expand and develop it.

Mali Government Delegation Leaves Pyongyang

SK2707093290 Pyongyang Domestic Service in Korean 1300 GMT 25 Jul 90

[Text] The government delegation of the Republic of Mali, led by His Excellency Ngolo Traore, minister of foreign affairs and international cooperation, which had visited our country at the invitation of the DPRK Government, returned home by plane today.

The delegation was seen off at the airport by Kim Yong-nam, vice premier and minister of foreign affairs, and by functionaries concerned.

Socialist Youth Hold Central Committee Meeting

SK2607044790 Pyongyang KCNA in English 0424 GMT 26 Jul 90

[Text] Pyongyang July 26 (KCNA)—The 17th Plenary Meeting of the Central Committee of the League of Socialist Working Youth [LSWY] was held here on July 24 and 25.

Discussed there were the tasks of the LSWY organisations to fulfil the highly important tasks laid down in "Let Us Bring the Advantages of Socialism in Our Country Into Full Play," the policy speech of the great leader President Kim Il-song at the First Session of the Ninth Supreme People's Assembly, and to further improve and strengthen the work with students and children in keeping with the requirements of the developing situation.

It stressed that the organisations of the LSWY should, above all, buckle down in real earnest to the organisational and political work to powerfully rouse the youth and children in the struggle to capture the ideological and material fortresses of socialism and Communism through the energetic three revolutions, ideological, technical and cultural.

It set forth tasks to develop still further the friendly and cooperative relations with the young people and students in different countries of the world in accordance with the idea of independence, peace and friendship.

Increasing People's Consumer Goods Stressed

SK2507003090 Pyongyang Domestic Service in Korean 0007 GMT 20 Jul 90

[NODONG SINMUN 20 Jul editorial: "Let Us Increase the Variety of People's Consumer Goods and Improve Their Quality"]

[Text] In thoroughly implementing the light industry revolution while upholding the letter sent by dear Comrade Kim Chong-il to those participating in the meeting of the national light industry, one of the important tasks facing us is to increase the kinds of people's consumer goods and to improve decisively their quality.

Comrade Kim Chong-il, member of the Political Bureau Presidium and secretary of the Central Committee of the Workers' Party of Korea, has noted: Only when the variety of people's consumer goods is increased and their quality is improved can the people be successfully provided with affluent and civilized material and cultural life.

Increasing the variety of people's consumer goods and improving their quality are key tasks in carrying out the light industry revolution. Creating material and cultural wealth is related to the people's demand for enjoying an affluent and cultural life. This demand cannot be met only by increasing the quantity of people's consumer goods; only when more high-quality consumer goods are produced can the desire and demand of those who want to enjoy civilized life be met.

In the past, our party has taken various measures for increasing the variety of consumer goods and improving them and, moreover, has wisely guided the measures. As a result, the kinds of consumer goods have greatly increased and their quality has constantly improved. We cannot, however, be content with this result.

As the economy and culture develop and the standard of material and cultural life advances, the people demand various kinds of higher quality consumer goods. Only when the variety of people's consumer goods as well as their quality are increased in conformity with a developing reality can the people's demand be successfully met. In this way, the advantages of socialism can be further demonstrated.

At present, increasing the kinds of people's consumer goods and improving their quality are very important in saving equipment, materials, and funds. Because increasing the kinds of people's consumer goods is one of the important ways to meet the demands of the people desiring to enjoy a civilized life, improving the quality of consumer goods is an important guarantee for saving and producing more.

All functionaries and working people, therefore, should be aware that our party's intention is to greatly increase the quantity and kinds of people's consumer goods within a few years to meet the demand for people's consumer goods and to raise their quality to equal that of the world. They also should be aware that our party's goal lies in carrying out the light industry revolution. They should, therefore, vigorously turn out to carry out the goal.

Above all, what is important to this end is that the functionaries and working people should be clearly aware of the nature and meaning of the light industry revolution, which was put forward by our party. And they should highly display the revolutionary spirit, party-minded, working class-minded, and people-minded spirit in the struggle to carry out the task.

The light industry revolution, as put forward by our party, is a revolution designed to lead our people to enjoy a better life by smoothly ensuring their independent and creative material life. Thus, represented in the light industry revolution are our people's desire and demand for decisively increasing the kinds of people's consumer goods as well as their quantity.

Increasing the kinds of people's consumer goods and improving their quality are a task for the people. This task demands that the functionaries and working people in the light industry sectors work with high revolutionary spirit, party-minded, working class-minded, and people-minded spirit.

The revolutionary spirit, party-minded, working class-minded, and people-minded spirit is loyalty to the working class and people. All functionaries and working people in the light industry sectors should positively try to further develop consumer goods and make them economical, useful, and solid, with infinite loyalty to the party and the leader, devoted service spirit for the people, and responsibility as masters.

In particular, the campaign of 3 August people's consumer goods production—a widespread mass campaign to greatly increase various kinds of high-quality consumer goods—should be vigorously launched to rapidly increase the quantity and variety of consumer goods.

If we struggle with high loyalty to the party and the leader and with self-reliance and fortitude—which our working class and people had in the period of the postwar Chollima great upswing to settle all questions with their own strength while believing in themselves—we can greatly increase the kinds of consumer goods and decisively improve their quality under today's favorable conditions. In order to increase the kinds of people's consumer goods and improve their quality, functionaries should thoroughly take organizational measures.

All functionaries in the light industry sectors should practically carry out the planned work, work for equipment guarantees, work for the distribution of labor forces, work for equipment management, and work for production organization and guidance. Along with these measures, functionaries should clearly understand the people's demand for life and they should carry out organizational work to develop positively the kinds and forms of consumer goods needed for the people's life, including foodstuffs, kitchen utensils, clothing, shoes, and stationary. In addition, they should give priority to developing technology, including preparation work for new consumer goods.

All functionaries in the light industry sectors, therefore, should further perfect the production process system by fixing defective processes and worn-out process systems. In addition, they should see to it that the balance between the basic production process and the supplementary production process is ensured.

Functionaries should organize technology process work for production of new people's consumer goods and provide the technology process with raw materials and equipment according to quality, nature, and size. In addition, they should organize guidance and control work for maintaining the demand of technology regulations and standard methods of operation in the technology process.

Functionaries should pay attention to production specialization, the technology standard of workers, strengthening quality control work, and the question of packaging manufactured goods. In addition, to increase the kinds of people's consumer goods and improve their quality, functionaries should hold an exhibition of people's consumer goods and establish many consumer goods offices for trading with other countries. As a result, functionaries would increase the production of people's consumer goods to a world level within a few years.

All sectors of the national economy should positively support light industry. This is an important task in the process of increasing the variety of people's consumer goods and improving their quality. The kinds of consumer goods that have been produced in the light industry sectors are immeasurable. The kinds and forms of consumer goods can, however, be constantly increased, as they are developed in the future.

Raw materials and equipment are required for consumer goods. In addition, equipment for producing consumer goods must be renewed or modernized. Light industry, which depends more upon other sectors than any other field of the national economy, essentially requires the positive support of various sectors—including the machine, chemical, and metal industries.

Being aware that supporting light industry is an important demand of the party's light-industry-best policy, factories and enterprises of all domains and units of the national economy should provide the light industry with raw materials and equipment according to variety, quality, and size—which are needed for increasing the kinds of consumer goods as well as their quantity.

The sectors of machine industry and electric automation industry should modernize the machine equipment needed for producing new consumer goods. In particular, they should modernize light industry factories. And, they should quickly produce and guarantee machine equipment and electronic automation elements needed for increasing the capability of light industry factories.

Party organizations at every level are faced with the heavy task of increasing the variety of people's consumer goods and decisively improving their quality. They should continue, moreover, to explain and inculcate dear Comrade Kim Chong-il's programmatic work, "On Thoroughly Carrying Out the Light Industry Revolution," among producers and the masses. In this way, party organizations at every level of the light industry sector should lead producers and the masses to fight positively, while looking upon the question of increasing the kinds of people's consumer goods and improving their quality as one of the vital demands for greatly improving the people's life.

In particular, party organizations at every level of light industry should carry out organizational and political work to launch in a more positive way the campaign of 3 August people's consumer goods production. The quantity of consumer goods and their kinds should be greatly increased and their quality should be decisively increased.

Let us all bring about a great turn in developing light industry by further increasing the variety of consumer goods and decisively improving their quality while upholding the party's policy of carrying out the light industry revolution.

Scientific, Educational, Children's Films Issued

*SK2107152090 Pyongyang KCNA in English
1508 GMT 21 Jul 90*

[Text] Pyongyang July 21 (KCNA)—The Korean Scientific and Educational Film Studio has released scores of scientific and educational films and films for children this year.

Its children's film creative staff recently made a serial animated cartoon "Prince Hodong and Princess Nangnang" (eight parts).

Based on a folktale, the film shows the desire and aspirations, resourcefulness and valor of people of the Koguryo Dynasty, an ancient state of Korea, fighting for national unity and harmony.

It is very dramatic, something like a legitimate drama, yet it turns to good account film techniques suited to the mental peculiarities of children.

Several films for children including the serial animated cartoon "Young General" (11-14 parts), a film which has already been known far and wide inside and outside the country have been produced.

The scientific film creative team made more than 10 mass scientific films which introduce in easy-to-understand terms advanced sciences and technologies of various domains including electronics, bioengineering and agronomy.

"Emotion and Health", a sequel of a serial science film on longevity, is popular among the viewers.

Called an encyclopedia of medical science, the film has seen its 33 sequels since its production started.

The studio has co-produced films with other countries.

The scientific film "Legendary Mt. Kumgang" produced jointly with the Leningrad Scientific Film Studio of the

Soviet Union gives a unique picture of the beautiful scenery of Mt. Kumgang, a famous mountain of Korea, drawing on many legends.

117 parts of the total 130 of the animated cartoon "Pif et Hercule" Korea-France co-produced film whose production started last year, were already completed. By the end of august the remaining parts of the film will be completed.

A scientific film "The Horse-Riding Nation", a film produced with Japanese film producers, has reached the stage of completion.

Food Grain Output Compared to 30 Years Ago

SK2307221490 Pyongyang KCNA in English
1520 GMT 23 Jul 90

[Text] Pyongyang July 23 (KCNA)—The agro-scientists of Korea have originated some 400 new crop strains and introduced them into agricultural production.

This increased per-hectare yield of maize 9 times and that of rice 3 times the pre-liberation figures.

The total output of food grain jumped 2.6 times as against 30 years ago.

In Korea there are now the Academy of Agricultural Sciences and dozens of research institutes for different domains and those specialized in researches into different varieties of crops equipped with state-of-the-art experimental apparatuses and various kinds of facilities and some 100 experimental agro-stock farms. There tens of thousands of scientists and technicians including academicians and doctors and hundreds of persons with academic degrees and titles are conducting scientific researches.

They have bred new strains of rice, maize and other crops and their first filial generation and are now making sustained efforts to apply the results of their researches into modern biology including cell and gene engineerings.

Railway Transportation Innovations Reported

SK2507220690 Pyongyang KCNA in English
1459 GMT 25 Jul 90

[Text] Pyongyang July 25 (KCNA)—The locomotive corps across Korea carried 12,505,000 more tons of freight than the rated traction tonnage over the last one year.

The Chongju locomotive corps topped it 939,600 tons in the first sixth months this year. It is now waging a vigorous drive for extra-haulage on schedule without accident after challenging the locomotive corps across the country to a socialist emulation.

The locomotive corps under the general bureau of western railways hauled 4,805,200 more tons and the west Pyongyang locomotive corps 1,439,700 more tons of freight than the rated tonnage over the last one year by improving the technique and skill of the engineers and taking good care of the locomotives.

The Kowon electric locomotive corps under the general bureau of eastern railways has raised the actual operating rate of the locomotives 6.5 percent up on the like period last year. Many other locomotive corps are also increasing freight transport by on-schedule operation without accident.

Light Industry Factories Increase Production

SK2507152690 Pyongyang KCNA in English
1509 GMT 25 Jul 90

[Text] Pyongyang July 25 (KCNA)—More than 10 light industry factories were built and the production capacity of the existing ones expanded largely in Korea in the last one year.

In this period the Taesong silk-reeling mill and the general weaving workshop of the Nyongbyon silk mill were commissioned and the Pyongyang textile combine, the Sariwon textile mill and other textile mills increased their production capacity by introducing modern and high-speed equipment.

The Korean silk company installed uptodate reeling and printing equipment and doubled its reeling capacity.

In the same period, the Pyongyang Municipal Garment Industry General Bureau commissioned the Tongdaewon and Taedonggang garment factories and the Sosong clothing factory, which produce 400,000 garments a year, and markedly boosted the production capacity of the Pyongyang clothing factory, the Samsok garment factory and other factories.

The shoe-making industry made achievements in the work to improve the quality of shoes and put their production on a more scientific basis.

The Pyongyang vinyl chloride shoes factory has doubled its production capacity with the construction of an injection-moulded shoe production base. And the Sariwon shoes factory built a modern leather shoe-making base.

The Hyangsan foodstuff combine, the Samjiyon soft drink factory, the Pyongyang yogurt factory have been commissioned and the inner structures of the foodstuff industry further perfected so as to increase the output of foodstuffs, nutritious foodstuffs for children and soft drinks.

Korea is pushing ahead with a drive to boost the production of foodstuffs 3.2 times in a few years to come.

South Korea

Further on South-North Talks for 15 Aug Rally

North Statement Rejected

SK2607235990 Seoul Domestic Service in Korean 2200 GMT 26 Jul 90

[Excerpt] The North side's delegation to the preliminary contact for the pan-national rally issued a statement indicating that it will come to Seoul today. However, there seems no possibility that the preliminary contact will take place today because our side did not accept the statement.

According to an official concerned of the Unification Board, the five delegates of the North side's delegation to the preliminary contact for the pan-national rally issued a statement at 2200 last night [1300 GMT] through the North Korean central broadcasting station. In the statement, the North side's delegation said it again will come to Panmunjom this morning and wait for members of our side's preparatory committee to escort it.

The official concerned of the Unification Board added that the North side's statement denounced our government, claiming that our government should assume responsibility for yesterday's abortion of the preliminary contact.

In the wake of the North side's statement, at 0630 [2130 GMT] this morning our side's preparatory committee sent a welcome group consisting of 24 members of the committee, including co-chairmen of the National Democratic Alliance of Korea [Chonminnyon] to Imjingak. [passage omitted]

South Spokesman on Situation

SK2707030690 Seoul YONHAP in English 0247 GMT 27 Jul 90

[Text] Seoul, July 27 (YONHAP)—North Korea should stop trying to reverse its agreement with South Korea if it really wants to hold a rally on Aug. 15 at the truce village of Panmunjom, a spokesman for the National Unification Board said Friday.

In a statement on the cancellation of a planning session for the rally in Seoul on Thursday, Choe Pyong-po accused North Korea of reneging on an agreement reached in a liaison officers' meeting at 7 a.m. that the South Korean Government would provide guides for its five delegates.

"The South and North resolved matters concerning the security of the visitors and their convenience through consultations between the responsible authorities of the two sides, because they could handle such matters effectively only by doing so," Choe said. "The Northern side agreed to follow our guidance and order as in the past in the liaison officers' meeting on July 26 at 7:30 a.m. It did not raise an objection to our offer regarding the lodging, vehicles and communications. But it suddenly changed its attitude later and stubbornly insisted that it would only follow the guidance of Chonminnyon (the National Alliance of Democratic Movements)."

He accused the North of breaking the agreement and disparaging the South Korean Government's will to provide all necessary support for realization of the Aug. 15 rally at the truce village of Panmunjom. "We helped three representatives of Chonminnyon go to Panmunjom and welcome the Northern delegates, but the North told a lie that no one from Chonminnyon was allowed to go there," he said.

Five North Koreans were to attend two days of talks in Seoul from Thursday to discuss preparations for the joint rally with South Korean dissidents and overseas Koreans. The five arrived at Panmunjom a couple of hours late and refused to cross the border, expressing disapproval with the accommodations selected by the South Korean Government.

The government chose the Inter-Continental Hotel in southern Seoul, but the Northerners insisted on going to Christian Academy House in northern Seoul, the venue selected by Chonminnyon. The North Koreans also refused to accept government guides, saying they wanted to be guided by their hosts. The government said it had to escort the visitors for security reasons.

South Rejects Liaison Meeting

SK2707080490 Seoul YONHAP in English 0734 GMT 27 Jul 90

[Text] Seoul, July 27 (YONHAP)—South Korea refused to hold a meeting of liaison officers Friday to discuss the crossing of five North Koreans into the South for talks with dissidents in Seoul unless the North agreed to observe formalities.

A South Korean Government official said the Northern side called the Southern side twice in the morning to ask for a liaison officer contact on the passage of the North Koreans through the truce village of Panmunjom to take part in a planning session for a rally in Panmunjom on Aug. 15.

The South, citing a statement made by Unification Minister Hong Song-chol, said it would not agree to a meeting of liaison officers until the North accepted the government's demands that it provide escorts and accomodation for the North Koreans. Hong said Thursday after the North Koreans refused to cross the border that he doubted their intention to hold the rally because they violated the custom that the host makes all the arrangements.

The North Koreans hung up the phone after hearing the response, saying they would reply later.

The government can consider allowing members of Chonminnyon (the National Alliance of Democratic

Movements), the South Korean organizers of the rally, to enter Panmunjom if Pyongyang accept Seoul's demand, he added.

News Analysis on Failed Talks

SK2707085490 Seoul YONHAP in English 0746 GMT 27 Jul 90

[News analysis: "Aborted Inter-Korea Talks"]

[Text] Seoul, July 27 (YONHAP)—Talks between South and North Korean citizens to organize a joint rally at the truce village of Panmunjom failed to take place Thursday because North Korea was apparently not ready to accept South Korean participation in the rally, let alone what it saw as rare and quite unexpected harmony between dissidents and the government in South Korea concerning the rally.

On top of deep disappointment at the failed meeting, South Korea's immediate concern is the likely cancellation of the Aug. 15 event all together and the effect of the latest development on the September meeting of the South and North Korean prime ministers in Seoul.

Paek Nam-chun signed the agreement for the North at Thursday's eighth preparatory meeting for the inter-Korean high level talks at the border village of Panmunjom, but did not forget to add that the success or failure of the rally will influence the prime ministers' talks.

The domino effect, with one foiled meeting causing another, is a sign that North Korea is not ready to open and is only putting on a show for other countries.

There was no apparent reason why the North Koreans refused to travel to Seoul. They were notified that the meeting had been switched to the plush Inter-Continental Hotel from the modest Christian Academy House and the government would provide transportation and lodging.

The government's role did not pose a problem until the Northern delegates arrived at Panmunjom, where they insisted that either the South Korean Government be kept completely out of the two-day meeting or they would go home.

The underlying problem may be the seemingly incompatible approach of the two Koreas' to the pursuit of national reunification. South Korea remains firm that the government should be the only official channel for South-North relations while North Korea leans toward civilian contact.

The determining twist was when the hosts of the two-day planning session, the dissident alliance Chonminnyon, conceded to the government that the venue be changed to the Inter-Continental Hotel in southern Seoul, a more flamboyant part of the capital than the area in the northeast where Chonminnyon's choice, Christian Academy House, is located.

What North Korea hoped would be a rally between the North Korean Government and South Korean dissidents was suddenly turning into an event with the southern government in control.

President No Tae-u said July 20 that the rally should be renamed a grand inter-Korea exchange of people and should be open to all citizens.

Northern discontent at this government "intervention" was expressed when the proposals was called "equal in act to sending in armed robbers to a feast to mess up the festive occasion." Signs of collapse appeared even before the arrival of the North Korean delegates at the truce village. They were two hours late in coming, saying bad weather had grounded their helicopter.

It's hard to believe North Koreans are so stupid they ignore weather reports or are unable to foresee possible delays, it's more likely that the last-minute decision to change the venue posed problems and caused the delay, analysts say.

The North Koreans, who demand air-tight security, neglected to hand over photographs and a list of accompanying journalists to the South until noon, two hours after their arrival, another sign that they were not serious about holding the meeting.

One Pyongyang-based foreign correspondent casually predicted to a Southern official that the Northern delegates will "go along with the show" but will not go to Seoul. The North's refusal to accept government involvement is in direct conflict with their own request that their personal safety be officially guaranteed. It is established practice during South-North exchanges that the governments are completely responsible for security measures. Analysts say the North was so intent on putting the blame for the failure on the South that they went back on their word, having asked for and thus tacitly agreed to accept government arrangements for their security.

North Abandons Talks

SK2707081190 Seoul YONHAP in English 0758 GMT 27 Jul 90

[Text] Seoul, July 27 (OANA-YONHAP)—North Korea informed South Korea on Friday it was abandoning attempts to send five officials to Seoul for talks to arrange an unprecedented joint rally at the truce village of Panmunjom on Aug. 15.

Officials said the notification was conveyed to a South Korean liaison officer at Panmunjom by his North Korean counterpart over the telephone at 2 p.m., several hours after the North Koreans had returned to Panmunjom for a second try at crossing the border to meet with South Korean dissidents.

The North, accusing the South Korean Government of scuppering the meeting, said it felt disappointment and regret that the five were prevented from attending the talks in Seoul and that their "reasonable compromise" was rejected by the South. The message said the Southern government had responsibility for cancellation of the meeting and that its insincere attitude set a bad precedent in inter-Korean relations, the officials said.

The five North Korean delegates left Panmunjom just after the message was sent to the South, the officials said. The two sides held five rounds of contacts to discuss the border crossing, but failed to reach a compromise.

The North once offered to make substantial concessions on terms set by South Korea for crossing into the South to attend the meeting, scheduled for Thursday and Friday. The North proposed the two sides resume contact between their liaison officer to discuss the border crossing, aborted Thursday due to differences over escorts and the venue of the meeting. The proposal was made in a telephone call by its liaison officer at around 11:24 a.m., the officials said.

The South Korean Government refused to make contact until the North promised it would unconditionally observe an agreement with the South on formalities, the officials said. One and half hours after the reply, the North announced it had no intention of trying to send its delegation to the South.

The planning session opened Friday with only members of Chonminnyon (the National Alliance of Democratic Movements), the South's largest dissident organization, and representatives of overseas Koreans attending. It is uncertain if the rally will be attended by Chonminnyon.

Thursday's border crossing was aborted when the North Koreans and Chonminnyon differed with the government over who would escort the Northerners to Seoul and where the planning session for the Aug. 15 unification rally would be held.

The North Koreans and Chonminnyon insisted they be guided by members of the dissident group and that the meeting be held in the modest Christian Academy House in Northeastern Seoul, the place originally chosen by Chonminnyon.

The Seoul government, which was officially asked by the North Korean Government to guarantee the safety of the delegation and provide for their convenience, said they should be escorted by government officials and meet in a luxurious Seoul hotel for security reasons.

The dissident organization finally accepted the government position out of a wish to realize the unprecedented rally, but the North refused to change its attitude.

The government, saying the North agreed to follow its guidance in a liaison meeting early Thursday, accused North Korea in a statement Friday of breaking an eight-point accord and of disparaging the Southern government's will to provide all necessary support for the realization of the rally.

The government first opposed the meeting, which would have been the first contact between private South Korean citizens and North Korean officials to discuss reunification of the peninsula, divided at the end of World War II. But in a dramatic departure from its stand against people-to-people contact on unification, the government threw its support behind the rally after President No Tae-u proposed free cross-border travel on July 20.

Chonminnyon accused the government of unjustifiable intervention in the talks.

Editorial Calls for 'Good Faith' From DPRK

SK2707010790 Seoul THE KOREA HERALD in English 27 Jul 90 p 8

[Editorial: "Dialogue With North Korea"]

[Text] The dialogue between Seoul and Pyongyang offers some hope of success as an agreement was reached yesterday to hold a meeting of prime ministers in September. Yet, it is regrettable that preparatory talks over holding a pannational rally of inter-Korea civilian representatives for reunification in Panmunjom were not realized yesterday, due to Pyongyang's recalcitrance on procedural matters such as conference venue.

Having witnessed the failure of repeated attempts at undertaking meaningful and productive talks for inter-Korean exchanges and cooperation, we cannot but doubt the ultimate outcome of the current negotiations on paving the way for full-fledged dialogue between the two parts of the divided nation.

As far as the content and scope of representation are concerned, the proposed high-level talks leave little room for doubt as they will be attended by the prime ministers of both sides. But much controversy is bound to arise as to participation in the pannational rally.

It was fortunate that the National Democratic Alliance of Korea [NDAK] and the government agreed on the general formula for attending the rally. Details still await working out among various social organizations here and with the north Korean delegation.

The NDAK, acting on behalf of south Koreans as the counterpart of the north Korean Committee for Peaceful Reunification of the Fatherland in organizing the rally, is supposed to open its door to all south Korean individuals and organizations to represent the south in the rally.

Many among us have doubts as to the NDAK's claim of representing a cross-section of the south Korean population as regards the question of reunification. Its originally dissident and leftist stance could be diluted and accepted only if it succeeds in embrancing all personalities and groups it might consider rightist and conservative.

It is a positive development for the Seoul government and the south Korean people in general have taken an open-minded and liberal attitude toward receiving and talking with north Koreans in keeping with the worldwide tide of detente and reconciliation. Some of our old-fashioned and rigid principles might well have to give way if we are to come to terms with north Korea.

However, it should not mean that we will seek dialogue and accommodation with north Korea unconditionally at the expense of our democratic values and commitment, putting our unification enthusiasts at the mercy of north Korean propaganda gimmicks.

Good faith and earnestness on the part of north Korea are needed now more than ever. Utmost discretion and wariness on our part are equally necessary.

South Student Group Plans Joint Rally in North

SK2607003190 Seoul THE KOREA TIMES in English 26 Jul 90 p 3

[Text] Taejon—The nation's largest student activist alliance, the National Council of Student Representatives (Chondaehyop), yesterday proposed to its counterpart in Pyongyang to hold a joint rally in the North Korean capital around Aug. 15, National Liberation Day.

The proposed rally is expected to mobilize some 10,000 students, both from the South and North Korea at the Nungnado Stadium, Pyongyang's new mammoth stadium which was opened for the 1989 World Festival of Youth and Students, a quasi-Olympiad for students in the socialist bloc.

"A student among the five-member delegation from Pyongyang, scheduled to visit Seoul today, may be suitable to discuss with us the joint rally in Pyongyang," said Kown O-chung, leader of the Yonsei University student council, who chairs Chondaehyop's committee for the inter-Korean student exchanges.

The proposal was made at a Chondaehyop leaders' meeting.

Soviet Relations Talks To Begin Next Week

SK2707033990 Seoul YONHAP in English 0257 GMT 27 Jul 90

[Text] Seoul, July 27 (OANA-YONHAP)—South Korea and the Soviet Union have agreed to hold ministerial-level talks on normalizing diplomatic ties and promoting economic cooperation in Moscow from Aug. 2, it was officially announced Friday.

A 20-member Korean delegation led by Kim Chong-in, senior presidential secretary for economic affairs, will fly to Moscow on Wednesday for the negotiations, the foreign ministry said.

The Soviet delegation will be headed by Yuri Maslyukov, first deputy chairman of the Soviet Council of Ministers and deputy prime minister for economic affairs, Ministry Spokesman Chong Ui-yong said.

The negotiations follow President Mikhail Gorbachev's letter to President No Tae-u early this month, in which the Soviet leader said he had instructed Maslyukov to invite a Korean economic delegation to visit Moscow to discuss promotion of bilateral ties.

Gorbachev said in the letter the economic delegation could include anyone considered necessary to convey No's thinking, an indication that the Soviet Union is ready to discuss all matters pertaining to normalization of diplomatic relations, along with economic cooperation and exchange. On June 4, No and Gorbachev agreed in their historic summit meeting in San Francisco to normalize diplomatic ties, possibly within this year.

The two sides are also expected to discuss ways to cooperate in ensuring stability and peace on the divided Korean peninsula, the spokesman said.

The Korean delegation will include Kim Chong-hui, senior presidential assistant for foreign and national security affairs: Yi Chong-pin, assistant foreign minister: Kong No-myong, head of the Korean consular department in Moscow: Kim In-ho, director of the Economic Planning Board's International Economic Policy Coordination Office: Sin Kuk-hwan, assistant trade and industry minister: and Yi Yong-song, director of the finance ministry's Planning and Management Office. [punctuation as received]

The negotiations, the first official talks between the two governments to discuss normalization of ties, will last two or three days, Chong said. Discussions on economic cooperation are expected to concentrate on joint ventures, barter trade, joint development projects and South Korean loans to the Soviet Union, a second government official said. The government will make a final decision on the loan issue after sounding out the Soviets in the negotiations, said the official, who declined to be identified.

He also predicted it may take one or two more rounds of negotiations before finalizing an agreement on full diplomatic ties and economic cooperation, with the Soviet delegation expected to visit Seoul for the second round of talks.

South Korea and the Soviet Union, a strong ally of North Korea, have been an adversaries [as received] for more than 40 years, but substantially increased economic and trade exchanges at the time of the 1988 Seoul Olympic Games.

In a bid to reduce tension on the Korean peninsula, improve relations with North Korea and advance reunification, South Korea has actively sought better ties with socialist countries such as China and the Soviet Union under President No Tae-u's ambitious diplomatic initiative called "northern policy."

Seoul especially desires political ties with the Soviet Union, which it thinks has a great influence on North Korea and China.

But the Soviet Union, sensitive to Pyongyang's stand against Seoul, is reluctant to establish formal ties despite fast-growing trade and other non-political exchange between the two countries. The Soviet Union backed the North during the Korean war (1950-1953) and is a main supplier of weaponry to the North and its largest trading partner.

Two-way trade between Seoul and Moscow reached 599 million U.S. dollars in 1989 and is expected to surpass 1 billion dollars this year, according to unofficial forecasts. The two nations exchanged consular departments with limited consular functions in February as a first step toward full ties. No's summit with Gorbachev in San Francisco was seen as a culmination of Seoul's efforts to normalize ties with the Communist superpower.

The two sides are reportedly discussing exchange visits by their heads of state. "If the negotiations go smoothly, exchange visits by the heads of state and a meeting between foreign ministers may be realized at an early date," the official said.

* Defense Ministry Airs Military Reform Plan

902C0224A Seoul HANGUK ILBO in Korean 11 May 90 p 5

[Article by reporter Yun Sung-yong: "Joint Chiefs of Staff Headquarters Assumes Strengthened Civilian Control"]

[Text] An academic seminar with the theme of "The Problems and Direction of Improvement in National Military Organization" was held under the auspices of the Ministry of National Defense at the convention center of the Seoul Hilton Hotel on 10 May at 1400. The 600 participants included politicians from the ruling and opposition parties, journalists, academics and military people.

The following topics were discussed:

- changes in the security environment in the Korean peninsula in the 1990's and methods of improving military structure (Dr. Cha Yong-ku of the National Defense Institute);
- necessity and content of improvement of military structure (Brigadier General Yi Suk-pok, deputy chief of the Strategic Planning Bureau of the Joint Chiefs of Staff Headquarters);
- revision of the Military Organization Law and civilian control (Professor Yu Chae-kap of the Graduate School of National Defense);
- revision and constitutionality of the Military Organization Law (Professor Kang Kyong-kun of Sungshil University);
- constitutional review of Military Organization Law revision (Professor Yi Sung-u of Kyongwon University).

In his key presentation, Dr. Cha Yong-ku of the National Defense Institute contended, "In preparation for the withdrawal of the U.S. Armed Forces which has recently become more concrete strengthening the position of chairman of the Joint Chiefs of Staff in the security context is imminent." Further, Professor Kang drew people's attention by saying, "When there is continuing controversy over law revision, there are ways to confirm the people's will through a national referendum concerning national defense policy in accordance with the constitution."

Regarding the controversial issue of integrating the three military academies, Brigadier Yi of the Joint Chiefs of Staff announced that a plan is being made to expand exchanges between different military units and promote solidarity by establishing an integrated national military academy by unifying the present three service academies.

The revision of the Military Organization Law, which passed the Defense Committee of the National Assembly by an extraordinary procedure on 12 March, must be passed by the Legislative Affairs Committee and the general assembly. The following is a synopsis of the main theme of the seminar.

Dr. Cha Yong-ku: The U.S. position on the USFK [U.S. Forces in Korea] reduction can be summarized as follows: First phase (1991-1993), reduction of 7,000 personnel; second phase (1994-1995), withdrawal of entire Second Division except for one brigade; third phase (1996-1999), a total armed force of 10,000 remaining.

Among these, important pending issues such as assignment of a Korean general as the chief representative to the Military Ceasefire Commission, appointment of a Korean general as ground forces commander of the U.S.-Korea Combined Forces Command, dismantlement of the U.S.-ROK Field Army Command (CFA) and transfer of peacetime operation control command to the ROK military which will be completed by 1995 are all interrelated with the question of the command structure of the ROK military. In particular, developing an independent wartime management capability in preparation for the transfer of operational control command to the ROK military is imminent. According to the general view of people concerned with national defense, this problem should be solved through structural reorganization of the ROK military.

Brigadier Yi Suk-pok: Our current military system, a "Joint Chiefs of Staff consultative system" based on three co-equal services, has many inefficient aspects with regard to national defense resource management, such as competition for acquisition of weaponry among the three services and repetition in distribution of investment.

According to the finally completed military system, the minister of national defense will oversee military administration and military order on condition that the military administration be executed through the respective military service commands and military order through the chairman of the Joint Chiefs of Staff who aids the minister of national defense.

The essence of the revised law, which is based on Article 9, Section 2 of the National Military Organization Law, is that the chairman of the Joint Chiefs of Staff will support the minister of national defense in regard to military order and at the same time, under the command of the minister of national defense, command and direct operational forces of each service whose main task is engagement in warfare; and joint forces established for the execution of joint operations.

The gist of the final supplementary revision is: the chairman of the Joint Chiefs of Staff will be responsible for appointing the major operational commanders in each service, as in the current system; integration of the military academies of the three services into a National Military Academy; and establishing a ratio of 2:1:1 for army, navy and air force officers within the Joint Chiefs of Staff headquarters.

Professor Yu Chae-kap: According to the revision, the chairman of the Joint Chiefs of Staff does not directly command the Chiefs of Staff of the three services; rather, he only executes operational command over the operational force commanders in consultation with the respective Chiefs of Staff. This will enable the chairman of the Joint Chiefs of Staff to coordinate operational command of the existing three services which is presently exercised separately by each service. At the same time, this will centralize civilian control power with the minister of national defense and will restrain the chairman of the Joint Chiefs of Staff, thus institutionalizing democratic civilian control methods.

However, one can consider several methods in order to prevent the chairman of the Joint Chiefs of Staff from acting on his own concerning operational command. Such methods are: significantly strengthening the de facto authority of the minister of national defense (supervision and inspection of personnel and budget), which is the basis of civilian control, from the current level; and appointing civilians to a large number of major positions within the Joint Chiefs of Staff Headquarters.

Professor Yi Sung-u: The revision which is now pending in the National Assembly has eliminated the problem of unconstitutionality of terms by changing current terms such as "Military Chiefs of Staff" and "Military Chiefs of Staff Headquarters" to "Joint Chiefs of Staff" and "Joint Chiefs of Staff Headquarters." However, problems of substance still remain.

In particular, revisions continue to contradict the unity of military administration and military order. The solution to this problem should be pursued in the context of maintaining checks and balances and cooperation among the different services. The revision of the Military Forces Organization Law stipulates that the chairman of the Joint Chiefs of Staff is to assume command over military order, albeit unexplicitly. In case he assumes comprehensive responsibility, there is a possibility that he might interfere with the civilian control principle.

Therefore, one should make sure that the execution of military command authority by the chairman of the Joint Chiefs of Staff does not fall into an uncontrollable situation and that the delegation of military command authority by the minister of national defense is clearly defined.

Professor Kang Kyong-kun: According to this revision, the minister of national defense controls the chairman of the Joint Chiefs of Staff and the Chiefs of Staff of the respective services by directly executing authority in areas such as personnel, budget and control authority over information and internal regulations. As for the minister's military command authority, he is assisted by the chairman of the Joint Chiefs of Staff and through him, command operational forces, so that he does not transfer part of such authority. Therefore, this revision does not interfere with civilian control.

In other words, this kind of structure is consistent with the constitutional task of national defense and cannot be regarded as unconstitutional because the minister of national defense holds authority over military administration and military command.

If controversy continues over this legislation in the National Assembly debate, holding a national referendum according to Article 72 of the constitution and asking direct approval by the people would be in accordance with the spirit of the constitution.

* Interview With Bar Association President

902C0233 Seoul TONG-A ILBO in Korean
27 May 90 p 3

[Interview with Pak Sung-so, president of the Korea Bar Association, by Kim Pong-ho, TONG-A ILBO City Desk chief, in Seoul; date not given]

[Text] The bar association, an organization of private lawyers, is one of the three wheels of our nation's justice system, the other two being the court and the prosecution.

A statue of the Greek goddess, Themis, holding a sword and a balance stands at the entrance to the Korea Bar Association (KBA) building in Tangju-tong, Chongno-ku, Seoul. When the month of May, which began with Law Day on 1 May, was about to close, this reporter called on KBA President Pak Sung-so (61) at his office on the 10th floor of the KBA building for an interview, which began with the question of whether or not the sword of justice and the balance of equity are being properly used in our society.

Distrust in Law Stems From Distrust in Politics

[Kim Pong-ho, hereinafter referred to as Kim] It is a common saying that "Law should be fair to everyone."

But few people seem to believe that law is fully applied to the privileged classes, such as those in power and financial combines. It is a worrisome matter that the trend of making light of law is spreading.

[Pak Sung-so, hereinafter referred to as Pak] Since the establishment of our republic, we have experienced a number of political changes, including the 19 April revolution, the 16 May military coup, the 18 May Kwangju uprising, and the 29 June proclamation. While going through these changes, which were unlawful or took place under pressure of unlawful means, the idea that law is subservient to politics and is nothing more than a tool for maintaining the ruling power came to settle in the public mind. The phenomenon of the public having no faith in law, and in some cases, even considering an infraction of law as admirable conduct, should be perceived as basically stemming from distrust in politics. In the final analysis, the reason that the words "positive law" have become a popular expression is that there is a gap between the ideals jurisprudence seeks to realize and the provisions of the statute enacted. Don't you agree? The legal proverb "even an evil law has the full force of the law," is an expression of judicial positivism, but an evil law is not a law. Law must be just and in consonance with the universal public feelings toward law. The days are gone when people were told to observe law unconditionally. The application of a bad law must be rejected and should be corrected soon. Two years have passed since the inauguration of the Sixth Republic, but there has been little progress in reforming the bad laws in line with the spirit of the 29 June proclamation. In my opinion, this failure is also responsible for the phenomenon of distrust in and disregard for the law. The dignity of law has fallen as evident from courtroom disturbances during trials of public security cases, shaking the basic order of the state. Efforts must be exerted to recover the fallen dignity and regain trust.

Open Government Administration as a Matter of Principle

[Kim] A controversy has arisen over the legal judgment of the prosecution in apprehending auditor Yi Mun-ok of the Board of Audit and Inspection. Voices of misgivings are being heard even within the board itself. It is hard to understand that information on the land for non-business use owned by financial combines is a state secret the exposure of which may endanger national security or foreign relations. There is a body of opinion that it will rather accord with the public sentiment and the national interests to make public the real state of the land buying fever of financial combines.

[Pak] It must be seriously examined whether or not the penal code provision that makes leakage of secret information by public servants punishable by law—the provision which was invoked to arrest auditor Yi Mun-ok—should remain in force. This is because this provision can be used as a device to stymie the people's right to know. Let me cite a judgment handed down by the Court of Constitution [honbop chaepanso] last September. A petitioner submitted a request to the Ichon County Office in Kyonggi Province asking for a copy of the record of fields and forests surveyed during the period of the Japanese rule, complaining that "the ownership of a piece of land handed down in his family from generation to generation shifted to the state" without his knowledge. On the basis of the reply from the Ministry of Home Affairs to an inquiry, the Ichon County Office turned down the request. Thereupon the petitioner filed a petition with the Court of Constitution for a ruling on constitutionality. At the end, the court rendered the decision that the act of the Ichon County Office in refusing to comply with the request for the said copy was unconstitutional because such act infringes upon the public's right to know. The question remains: who decides a matter should be kept secret, and on what criteria? Even materials marked as Class I, II, or III secret may include such substance as is already known to the public. If the public were to be bound by the pro forma secrecy classification for the sake of the government's administrative convenience, it would greatly infringe upon freedom of speech and the public's right to know. National Assembly proceedings and trials are open to the public as a matter of principle. Likewise, administrative business should be conducted openly as a matter of principle. It is necessary for the public to be kept informed of government operations in full detail so that it can properly exercise its sovereign right to choose the government. The state is obligated to inform the public, and the public has the right to know—this is a basic principle of democratic government.

Taiwanese Office of Inspection, an Independent Organ

[Kim] Civil servants dealing with civil petitions sweat more when auditors from the Board of Audit and Inspection check the record of their operations than when a parliamentary inspection team conducts an inspection blustering and talking through their hats. Auditor Yi told the court that "a disciplinary action has been taken against him under the undue pressure of the financial combines." In my opinion there is the need for a system whereby to secure the position of auditors and inspectors...

[Pak] When the constitution of the Sixth Republic was promulgated, there was the argument that the Board of Audit and Inspection should be brought under the National Assembly, an organization representing the people, instead of placing it under the direct jurisdiction of the president. It is apparently a self-contradiction to demand that an agency belonging to the administrative branch ferret out irregularities in other agencies in the same branch. In Taiwan, the inspection yuan is established as an independent organization under the constitution. Even if the Board of Audit and Inspection is to remain under the direct jurisdiction of the president, the Board members and the civil servants who perform their audit and inspection duties should be given job security similar to that accorded to judicial officers.

Corruption as Collusion Between Power, Money

[Kim] Auditor Yi stated that corporations exercised undue pressures to obstruct or suspend the performance of his auditing duty. If his statement is true, don't you think the company executives involved should be punished for the abuse of their power? Who should keep an eye on irregularities involving auditors and inspectors of the Board of Audit and Inspection, the Public Prosecutors Office, and the Office of the President?

[Pak] I must be cautious about my comment because Mr Yi Mun-ok's court testimony is yet to be substantiated. Corruption may be defined as collusion between power and money. To exercise power to cover up irregularities and shield them from the target of inspection is in itself an act of corruption. To prevent corruption in inspection organizations, the devices designed to ensure the checks and balances of the three branches of government should perform their functions properly. In this connection, I need to touch upon the activities of the inspection team created under a special presidential order. The presidential secretariat has been tightening discipline among government employees and directing criminal investigations through the machinery it created not in accordance with law, and this is an act which rocks the judicial system and undermines the dignity of the auditing and inspection organizations. Does the presidential secretariat intend to perform the functions of the Board of Audit and Inspection, the Public Prosecutors Office, and the police, disregarding the division of administrative functions prescribed by law? It is not a judicious method either. If the special inspection team does something wrong, who will ultimately be held accountable? If an invisible backing is given the powers of the auditing and inspection organizations behind the scenes, it may be a different matter....

Enactment of Open Information Law Needed

[Kim] In connection with auditor Yi's case, a controversy has arisen over containing the scope of news coverage activity by the press. It is really a matter of great concern if the atmosphere of "you will get burned if you talk to reporters" should prevail in the civil service community.

[Pak] The public's right to know and freedom of speech are the two sides of the coin. An extravagant invocation of the provision on punishing leakage of secrets would force government employees to keep mum except giving out press releases. On this occasion, it is necessary to enact an open information law which will institutionally guarantee the public its right to know. The function of classifying secrets should not be left exclusively to the discretion of administrative organizations.

[Kim] On Law Day the KBA issued a statement calling for an investigation into the case in which envelopes containing cash were distributed during the by-election in the Taegu-West A constituency. Lamenting the outcome of the elections on the east coast and in the Yongdungpo B constituency, Justice Yi Hoe-chang turned down the offer to head the Central Election Management Committee. We hear the resounding voices expressing fears that "democracy cannot be properly achieved unless election irregularities are forestalled"....

[Pak] The demonstration staged by the residents of the Taegu-West A constituency demanded that "the money used to buy votes be recovered." If the climate—the climate in which the will of the people is not reflected in elections with the power of money deciding their outcome—is left unchanged, it would rock democracy at its foundation. The money distributed during elections causes inflation, higher prices, and real estate speculation. If a case like this is hushed up, corruption mentality will become rampant, endangering democracy.

[Kim] As the representive of the bar, would you compare the prosecutors offices and the judicial branch under the Fifth Republic with those under the Sixth Republic?

[Pak] The Fifth Republic was a government lacking democratic legitimacy whereas the Sixth Republic is one born through a democratic form of election. It is arbitrary to make a simplistic comparison. Now is the time to find an answer to the question of to what extent the public expectations raised by the 29 June proclamation have materialized? True, the thinking and posture of the prosecutors have been democratized to a considerable degree. But I am skeptical as to how much they have cleansed themselves of the image they had under the Fifth Republic as an agent subservient to the powers that be. The judicial branch also should make constant efforts to do away with its authoritative attitude, getting rid of the idea that judges are trying cases in consonance with the overall political climate in the country. Instead of indulging in microscopic examination of statutory provisions, judges should view the law from a high ground and take the posture of interpreting and applying it in a manner convincing to the public. Judges should boldly do away with the perception of justice that prevailed in bygone days when the accused bent down with his head on the floor in the magistrate's office while he was tried. The conduct of judicial hearings is at once a right and service of the state. Citizens are entitled to a fair trial. Those engaged in judicial duties need to change their perception.

Time To Reflect on Education for Pecuniary Interest

[Kim] These days advance warrants are often used in handling major cases. Do you think the human rights picture is improving?

[Pak] We should change our concept of habeas corpus. An arrest should be made only when there is danger of the evidence being destroyed or danger of the suspect fleeing. But there is a tendency to regard arrest as a means of punishment. As far as the form is concerned, using advance warrants of arrest is desirable. The use of "after-the-fact warrants"—the practice of requesting the warrant after obtaining a confession from an illegally detained suspect—has greater room for infringement on human rights. At the risk of incurring criticism, I would say that the human rights picture has improved compared with the days under the Fifth Republic. One should not judge the human rights situation on the basis of a simplistic comparison of the arrest figures.

[Kim] Chairman Pak said: "I thought the number of student activists decreased after the establishment of the Sixth Republic, but I have been told that recently the number has begun to increase again." He blamed distrust in politics for the "general difficult situation."

He also said: "The people who have created a giant ruling party through a three-way merger are absorbed in an internal feud instead of trying to save the difficult situation and overhaul their party structure. This feud is causing a drop in their popularity and giving rise to difficulties in many areas."

Chairman Pak is active as a member of the Educational Policy Advisory Council and a member of the Seoul Municipal Education Committee. He said that "the spirit of valuing human dignity is weakening among the youth and juveniles as a result of 'pecuniary education' which is only interested in material affluence, neglecting charter education."

Article Analyzes Overseas Investment Boom

SK2407020090 Seoul THE KOREA HERALD in English 24 Jul 90 p 6

[Text] Korea's overseas investments amounted to $896 million in the first half of this year, representing nearly three times the $333 million marked in the same period of 1989, the Bank of Korea said yesterday.

The overseas investment boom is largely ascribable to higher labor costs at home and tougher trade barriers erected by foreign countries, a central bank spokesman said. Local enterprises' stepped-up efforts to introduce advanced foreign high-tech and take advantage of relatively low labor costs in some developing countries also brought on such results, the spokesman said.

Investments in Southeast Asia, chiefly centered on Indonesia, Thailand, and Malaysia, came to $405 million in the first six months of this year, up 289 percent from a year earlier.

Meanwhile, investments in North America totaled $353 million up 157 percent, and those in Europe amounted to $65 million, up 441 percent.

Korea's investments in Communist countries, including China, the Soviet Union and Hungary, also increased to $34.5 million in the first half of this year, accounting for 56 percent of the total investment amount in 1989.

Overseas investments in the manufacturing industry came to $619 million in the first six months of the year, representing nearly three times the figure marked in the like period of last year.

During the first half of 1990, the nation's overseas investments in the textile, clothing, and footwear sector amounted to $72 million for 27 cases; those in the assembly metal and machinery sector, $155 million for 18 cases; and those in the petrochemical field, $110 million for 11 cases.

Korea's overseas investment in the trading sector, meanwhile, nearly quadrupled to $144 million in the first half of 1990 from $39 million in the same period of 1989, the central bank said. At the end of last June, Korea's overseas investments totaled $3,166 million on an outstanding basis. The nation's overseas investments surged from $356 million in 1987 to $480 million in 1988, and further to $927 million in 1989.

Brunei, Malaysia & Singapore

Malaysia

Paper Views U.S. Policy Shift on Cambodia

BK2407125390 Kuala Lumpur NEW STRAITS TIMES in English 21 Jul 90 p 6

[Editorial: "Changing Sides in Cambodia"]

[Text] When US Secretary of State James Baker announced the turnabout in US policy regarding its support for the Coalition Government of Democratic Cambodia (CGDC), and offered to have direct talks with Hanoi, he said the decision was largely prompted by a desire not to see "a return to power of the Khmer Rouge." Baker also acknowledged the influence of the difficulties in getting Congress to continue approving funds for the CGDC, particularly when Vietnam had largely undercut one of the major objections to the regime in Phnom Penh by withdrawing its troops last September.

Recent events on the battlefields of Cambodia have given concern to those fearful of a growth in Khmer Rouge power. In recent weeks and months, the non-communist resistance forces have been making themselves felt in areas that are close to Phnom Penh. Last Saturday [14 July], there was a raid on Battambang, the country's second largest city. Last month, the provincial capital of Kompong Thom was hit.

With the falling off in aid from the Soviet Union, with the superiority in numbers and determination of Khmer Rouge forces over those of their coalition partners and Phnom Penh, with still vivid memories of the Khmer Rouge's previous bloody excesses, the US does have grounds for worrying about an eventual victory for the resistance forces, with the subsequent prospect of the Khmer Rouge turning on its coalition partners.

The US administration may have found it increasingly difficult to justify its support of a coalition that includes a force that was responsible for the killing of a million or more Cambodians, but it should also have taken note of the fact that the regime in Phnom Penh, despite the increasing number of portrayals of it as a more humane master, has not relaxed its authoritarian grip on things. Attempts to start an opposition party have been scotched by the detention of the former Transport Minister and several senior officials and army officers. The leash on the Press has been shortened with the dismissal of at least one editor. There are also questions about the continuing presence in Cambodia of a few thousand Vietnamese, ostensibly in technical and advisory roles. With the Soviet Union trimming assistance to Phnom Penh, is the US thinking of taking its place?

The US is hedging its new position by insisting that it will maintain its support for the groups headed by Prince Sihanouk and Son Sann. It also says that the proposed dialogue with Hanoi will not constitute a normalisation of relations. The problem with such diplomatic hair-splitting is that, instead of splitting the CGDC and providing an excuse for Prince Sihanouk and Son Sann to distance themselves from the Khmer Rouge, the more immediate effect will probably be to convince the Khmer Rouge that, in its increased isolation, it is no longer obliged to pay even token attention to the opinions of others. Instead of helping push the problem closer to a political solution, the US may have provided circumstances for an even bloodier confrontation.

One must also query the US about its atrocious sense of timing in making the announcement. ASEAN Foreign Ministers will be meeting in Jakarta next week. While ASEAN members were informed about the US decision a few hours before the announcement, couldn't the US have held off until after the ASEAN meeting? Baker's talks with Soviet Foreign Minister Shevardnadze may have provided a well-lit platform for revealing a closing of the gap on the Indo-China issue between the two superpowers, but surely just as important for the US is an acknowledgement of the long, close ties between the US and ASEAN. The US is entitled to adopt an independent course, but the least friends and allies should expect is some consideration for their own efforts, some consultation to discuss the possibility of an agreement on approach.

Official Says APEC Should Avoid Politics

BK260715229[illegible] Hong Kong AFP in English 1501 GMT 26 Jul 90

[Text] Kuala Lumpur, July 26 (AFP)—A top Malaysian official said Thursday the Asia-Pacific Economic Cooperation (APEC) forum should not waste time on political issues such as the membership of China, Taiwan and Hong Kong.

"The question of participation by these countries should be dealt with at a political forum," Trade and Industry Minister Rafidah Aziz said, adding that it involves legal and diplomatic issues which even the United Nations cannot solve.

Ms. Rafidah was responding to Canadian External Affairs Minister Joe Clark's call to include the three countries as new members of APEC, which is holding its second ministerial meeting in Singapore Monday and Tuesday. Ms. Rafidah said Malaysia would like to see APEC being more project-oriented so that its projects directly result in regional economic cooperation in trade and investment and technology inflow. "Let's not get the whole thing bogged down by political issues... Let's talk more about programmes and projects. That's what it (APEC) is supposed to be for," she said.

Malaysia, together with South Korea, is coordinating and promoting projects in trade promotion, human resources development and technology transfer.

APEC, formed last year as part of an Australian initiative to promote regional economic ties, groups Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand, Japan, South Korea, Australia, New Zealand, Canada and the United States.

Cambodia

Sihanouk Urges ASEAN To Retain UN Seat

BK2707034790 (Clandestine) Voice of the Khmer in Cambodian 2300 GMT 26 Jul 90

[Text] Cambodian President His Royal Highness Samdech Norodom Sihanouk said he hoped that ASEAN would strive to maintain the National Government of Cambodia's [NGC] UN seat at the upcoming session of the UN General Assembly which has a charter to defend the fundamentals of justice and independence and condemn aggression. He stated this in a letter to ASEAN diplomatic missions in Bangkok, Beijing, Pyongyang, Paris, and Tokyo.

The samdech said that the NGC, formerly the Coalition Government of Democratic Kampuchea, was established in accordance with ASEAN's initiative in Kuala Lumpur, Malaysia, on 22 June 1982. For ASEAN, he added, ceasing to recognize the NGC in the United Nations was an abandonment of what he called the son of ASEAN and a condemnation of the NGC for an offense it did not commit, and this resembles the SRV's action against sovereign and neutral Cambodia. He stressed that the withdrawal of recognition is tantamount to not only acquitting the red-handed Vietnamese perpetrators but has also conferring a large reward on them for their extremely serious crimes against the Cambodian people.

The samdech hoped that ASEAN, at the UN General Assembly session in September, would continue its valuable efforts to maintain the NGC's UN seat. The samdech said that he had concurred with Singapore Prime Minister Lee Kuan Yew in insisting that peace in Cambodia could not be restored if the Democratic Kampuchea party does not join in the peace process within the framework of equality among the four Cambodian parties. He further said: There would be no peace in Cambodia unless there are realistic measures to control the Khmer Rouge by placing Cambodia under a UN administering authority prior to elections in Cambodia and the acceptance of the presence of a UN peacekeeping force in the country.

Criticizes U.S. Decision

BK2707051790 Hong Kong AFP in English 0453 GMT 27 Jul 90

[Text] Bangkok, July 27 (AFP)—Cambodian guerrilla leader Prince Norodom Sihanouk in a message to ASEAN Friday slammed Washington's decision to withdraw U.N. recognition for Cambodia's resistance coalition. In a telegram to foreign ministers of the Association of Southeast Asian Nations (ASEAN) gathered in Jakarta, the prince described the U.S. move as "a very unjust recognition of the Vietnamese fait accompli."

Vietnam invaded Cambodia nearly 12 years ago to overthrow a Khmer Rouge regime there and install a friendly government in Phnom Penh.

The guerrilla coalition joining the radical Khmer Rouge and its two U.S.-backed non-communist allies headed by Prince Sihanouk and former Prime Minister Son Sann holds Cambodia's seat at the United Nations. But Washington, saying it wanted to prevent a return to power of the Khmer Rouge, announced last week it would withdraw its U.N. recognition for the resistance coalition.

In his message to the ASEAN ministers which was released here, the prince said the United States and the West could not "heal the Cambodian illness." The prince earlier described the U.S. move as a "very grave injustice."

The Khmer Rouge has indirectly accused Washington of siding with Vietnam and vowed to continue fighting in Cambodia until a complete defeat of the Hanoi-backed Phnom Penh government.

In Jakarta, Mr. Baker met with his ASEAN counterparts Friday to explain the U.S. shift.

Son Sann Invites Hun Sen To Meet in Paris

BK2707034090 (Clandestine) Voice of the Khmer in Cambodian 2300 GMT 26 Jul 90

[Text] His Excellency Son Sann said: It is time for the four Cambodian parties to hold talks in order to resolve the Cambodian problem because the continued fighting is the aim of Vietnam, which wants Cambodians to continue killing each other. He said that for the sake of Cambodia's dignity, Cambodians have the duty to settle the problem themselves and that the four Cambodian parties should compromise by making sacrifices to arrive at a solution. He underlined that the four Cambodian parties should meet as quickly as possible before the upcoming session in New York of the Big Five, which would invite the four Cambodian parties to attend.

His Excellency Son Sann further said: Hun Sen should realize that this is an urgent matter and that the Hun Sen group should care about Cambodia's future. The continued war is the intention of Vietnam, which wants Cambodians to kill each other. As such, Hun Sen is invited to come to Paris by 6 August in order to discuss the setting up of a supreme national council [SNC]. He added that following the establishment of the SNC, the four Cambodian parties would hold talks with the Big Five at the upcoming New York meeting.

Hun Sen Sends Telegram to Son Sann on Meeting

BK2607235590 Hong Kong AFP in English 2335 GMT 26 Jul 90

[Text] Paris, July 27 (AFP)—Cambodian Prime Minister Hun Sen has sent a telegram to his opposition counterpart, Son Sann, calling for a meeting of the supreme transitional council in accordance with an agreement signed last month in Tokyo, informed sources said here Thursday.

Mr. Hun Sen's offer does not correspond precisely to a proposal made Monday by Mr. Son Sann in the wake of the United States' decision to withdraw support for the tripartite Cambodian opposition, consisting of the Khmer Rouge, Prince Norodom Sihanouk, and Mr. Son Sann's own right-wing nationalist followers.

Prince Sihanouk, the leader of the opposition coalition, was signatory to the Toyko accord.

On Monday, Mr. Son Sann called for a meeting here on July 30 of the three opposition factions to discuss the U.S.'s sudden policy reversal. Mr. Son Sann also invited the Vietnamese-backed "Phnom Penh side" to join the meeting on August 1, and said he would call for a meeting of the four Cambodian parties and the five permanent members of the United Nations Security Council at the end of August in New York.

Officials at the Khmer Rouge-occupied Cambodian UNESCO office in Paris could not say Thursday whether Khmer Rouge leader Khieu Samphan would respond to Mr. Son Sann's invitation. According to unconfirmed sources, the Khmer Rouge's UN representative, Tiounn Prasith, would attend the Paris meeting.

A member of the Phnom Penh government currently on a private visit to France, Hor Nam Hong, participated in the talks already held here on Cambodia and could possibly represent the regime at the forthcoming meeting, the informed sources said.

United Nations Envisages Progressive Cease-Fire

AU2707110490 Paris AFP in English 1033 GMT 27 Jul 90

[Michel Blanchard report]

[Text] Paris, July 27 (AFP)—The five permanent members of the United Nations Security Council envisage the introduction of a progressive cease-fire in Cambodia, beginning with a period of "maximum self-restraint", according to documents obtained here by AFP.

One document on the "military arrangements during the transitional period" of an overall settlement adopted in Paris on July 17, has not been published. It was adopted by the United States, the Soviet Union, China, France and Britain. The text said that the military component "should be composed of a certain number of contingents provided by member states at the request of the U.N. Secretary General."

A second document on the "transitional arrangements" concerning the administration of Cambodia during a pre-electoral period, adopted in principle in Paris but which has still to be given formal approval by China, concerns the creation of a supreme national council (SNC) in Cambodia.

As indicated in a summary of conclusions published on July 17, this council would be composed "of representative individuals" from "all shades of opinion", but "they should be acceptable to each other", and "no party should be dominant." The text said that "should Prince Norodom Sihanouk be elected by the SNC as its president, the Five would welcome this decision."

The members of the Security Council referred to the range of competence attributed to the SNC, which Phnom Penh said should be limited and China said should be broad. The document said that in order to ensure a "neutral political environment" conducive to free elections, all forces "which could directly influence the outcome of elections should be placed under direct U.N. supervision or control." The document said: "In that context special attention will be given to foreign affairs, national defence, finance, public security and information." Other administrative sectors, identified by the U.N. and SNC, would continue to carry out daily administration.

The Five stressed that it was "essential to establish a unique legitimate body and source of authority" meaning the SNC, and they called on "the Cambodian parties" to meet at an "early date."

The document on transitional arrangements said that the SNC "will delegate to the United Nations Transitional Authority in Cambodia (UNTAC) all powers necessary to ensure the implementation of the comprehensive agreement," particularly regarding elections and provisional administration. It stressed that the SNC "should represent Cambodia externally and occupy the seat of Cambodia at the United Nations."

The document on military arrangements said that the military role of UNTAC would be to verify the withdrawal and "non-return" of foreign forces, the "cessation of outside military assistance", the confiscation of arms dumps, and the re-grouping and disarming of armed forces.

The Five ended their fifth meeting by noting "significant progress" after 25 hours of talks. China spoke of important progress and said that it had made concessions and that the matter was now in the hands of Vietnam, an ally of the governmment in Phnom Penh.

The unexpected results of the conference, which began badly, were overshadowed by an anouncement in Paris the following day by U.S. Secretary of State James Baker that the United States was withholding recognition from the resistance coalition which holds the Cambodia's seat at the United Nations and includes the Khmer Rouge.

The U.S. negotiator at the meeting of the Five, Under Secretary Richard Solomon, was aware of the announcment that Mr. Baker was to make and that it would support the results of the meeting, observers said. They added that the two documents on military aspects of administrative arrangements were the two most important of five documents which would provide the basis of a future overall agreement as envisaged by the Paris conference on Cambodia held in August 1989.

The three other documents, which are due to be examined at the sixth meeting in New York on August 27 and 28, are being prepared by experts. They concern the organisation of elections, human rights, and international guarantees. The question of reconstruction, in which Japan is expected to play an essential role, would be an important element.

Hun Sen Sends Message to SRV on Flood Damage

BK2407095990 Phnom Penh Domestic Service in Cambodian 1300 GMT 23 Jul 90

[Text] After hearing the sad news about the losses of lives and property caused by flooding due to heavy rainfall in various northern provinces of Vietnam, Comrade Hun Sen, chairman of the Council of Ministers of the State of Cambodia, has sent a message of condolence to Comrade Do Muoi, chairman of the Council of Ministers of the SRV. The message noted:

I would like to express deep regret and condolences to the fraternal Vietnamese Government and people and, through you, to the families of the victims of this natural disaster. I am convinced that under the clear-sighted and wise leadership of the CPV, the fraternal Vietnamese Government and people will be able to overcome all these bad consequences and quickly restore normal life for the people.

Tie Banh Greets Cuban Uprising Anniversary

BK2407141590 Phnom Penh Domestic Service in Cambodian 1300 GMT 24 Jul 90

[Text] Comrade General Tie Banh, minister of National Defense of the State of Cambodia, has sent a greetings message to Comrade General Raul Castro Ruz, minister of the Revolutionary Armed Forces of the Republic of Cuba, on the 37th anniversary of Cuba's general uprising day. The message noted:

Dear Comrade Minister, on the occasion of the 37th anniversary of the general uprising day of fraternal Cuba, on behalf of cadres and combatants of the Cambodian People's Armed Forces and in my own name, I would like to extend most sincere and warmest greetings to you and to all cadres and combatants of the Revolutionary Armed Forces of the Republic of Cuba.

Also on this historic occasion, I wish you and all cadres and combatants of the fraternal Cuban Revolutionary Armed Forces good health, powerful strength, and new victories in carrying out all tasks assigned by the party and people. Please accept our highest regards.

Sar Kheng Receives Cuban Ambassador Suarez

BK2407095590 Phnom Penh Domestic Service in Cambodian 1300 GMT 23 Jul 90

[Text] On the morning of 21 July at the office of the Central Organization Commission, Comrade Sar Kheng, member of the party Central Committee Political Bureau, chief of cabinet of the party Central Committee, and chairman of the Central Organization Commission, received and had a cordial talk with Ivonne Suarez, ambassador extraordinary and plenipotentiary of the Republic of Cuba to the State of Cambodia.

Comrade Sar Kheng expressed warm welcome to the ambassador for her diplomatic mission in Cambodia. He informed the ambassador of the enemy situation along the Cambodian-Thai border following the total withdrawal of Vietnamese volunteer troops from Cambodia and stressed the goodwill of the party and state of the State of Cambodia in desiring to achieve genuine peace for the Cambodian people.

In her reply, the ambassador highly valued the all-around achievements made by the Cambodian people in the past over 11 years under the correct leadership of the Kampuchean People's Revolutionary Party. The ambassador also hailed and voiced support for the efforts of the party and Government of the State of Cambodia in seeking a political solution to the Cambodian problem in order to end the war in Cambodia which has dragged on for the past more than 11 years.

The Cuban ambassador to Cambodia pledged to strive to successfully fulfill her mission in Cambodia so as to contribute to further strengthening and expanding the bonds of solidarity, friendship, and cooperation between the parties, governments, and peoples of Cuba and Cambodia.

Six-Month Combat Actions in Kompong Thom Noted

BK2407135290 Phnom Penh Domestic Service in Cambodian 1300 GMT 24 Jul 90

[Text] In their sweep operations launched against the enemies during the first half of the year, the Armed Forces in Kompong Thom Province put out of action 712 enemy soldiers, including 487 killed and 37 captured, seized 70 assorted weapons and a large quantity of war materiel, and destroyed 30 enemy camps. At present, the Armed Forces in Kompong Thom Province are enhancing their will and readiness to fight and inflict more defeats on the enemies in order to push them into total doom.

Indonesia

Alatas, Australia's Evans Discuss East Timor

BK2607130590 Jakarta ANTARA in English 1049 GMT 26 Jul 90

[Text] Jakarta, Jul 26 (OANA-ANTARA)—Australia was to expand its official bilateral assistance program in East Timor, Indonesia's youngest province, Australian Senator Gareth Evans announced here Thursday [26 July] after meeting with his Indonesian counterpart, Foreign Minister Ali Alatas.

Australia is aware that there are many problems still to be overcome in East Timor but we are encouraged by the efforts being made. We hope that through this expanded assistance we can help to sustain the momentum towards the solution to those remaining difficulties, Senator Evans said.

East Timor needs assistance to help increase agricultural output, improve livestock and to enhance village water supply, the minister pointed out.

The best way for Australia to help the East Timorese was to work with the Indonesian authorities in developing East Timor and raising the living conditions of the people of that province, he stated.

The new strategy provides for the provision of short and long-term projects designed to raise the living conditions and productivity of the people of East Timor.

In the short-term, the Eastern Islands Veterinary Services project (EIVS), which operates in some eastern provinces of Indonesia, will be extended to East Timor. An extra 1.5 million Australian dollars will be provided for improved veterinary services and the eradication of major livestock diseases to assist small farmers increase cattle numbers.

Long-term projects which Australia has under consideration include agricultural support services, water supply and sanitation schemes, and technical and academic training.

This aid will be directed specifically to poor and disadvantaged people and is part of Australia's policy of focussing assistance on eastern Indonesia, Senator Evans explained.

Last October, Australia became the first country to give bilateral assistance to the province with an Australian $100,000 grant for helping a number of small farmer groups. This form of direct aid has been very effective and well received in the province.

Australia has for many years been a supporter of the activities of the International Committee of the Red Cross (ICRC) in East Timor. This humanitarian assistance will also continue in 1990/91 with a further contribution of $300,000.

The provincial government is very supportive of Australian involvement in East Timor's development. The strategy will be discussed at the forthcoming high level consultations next month on Australia's development assistance to Indonesia.

Australia's new assistance strategy for East Timor has been developed following a recent visit to the province by Ambassador Philip Flood.

Senator Evans said that the Australian Embassy had regular access to the province in recent times, and had been able to give him a very full picture of developments in the administration of East Timor and the reactions of its people, news release from the Australian minister for foreign affairs and trade said.

Minister on Foreign, Local Parts in Phone System

BK2607081290 Jakarta Domestic Service in Indonesian 0600 GMT 25 Jul 90

[Text] The Indonesian Government will purchase 350,000 telephone sets from the foreign company which wins the current tender bid of the Central Digital Telephone network, but the installment of the network will be done by the Indonesian private sector. The government's decision was disclosed to newsmen by Minister/State Secretary Murdiono in Jakarta yesterday.

He said the decision to involve the Indonesian private sector in the installment of the telephone network is expected to boost the domestic telecommunications industry. Foreign corporations, which are competing to supply the telephone sets, are from the United States, Australia, and Japan. Murdiono said the installment of the network will be done in stages within 48 months after a contract is signed.

Laos

Phoun Sipaseut Meets SRV, Cambodia Delegations

BK2307114290 Vientiane Domestic Service in Lao 0000 GMT 18 Jul 90

[Text] Yesterday afternoon, Phoun Sipaseut, vice chairman of the Council of Ministers and minister of foreign affairs, received in Vientiane a courtesy call from the Vietnamese and Cambodian bank delegations. The Vietnamese delegation was led by Cao Sy Khiem, governor of the SRV State Bank, and the Cambodian delegation was led by Cha Rieng, chairman of the People's National Bank of Cambodia.

In the meeting, which proceeded in an atmosphere of warm friendship, Phoun Sipaseut expressed a warm welcome to the visiting delegations. He also informed the groups of the modification of the banking work in the Lao People's Democratic Republic in a businesslike manner and in conformity with the new economic management mechanism. Phoun Sipaseut, together with Cao Sy Khiem and Cha Rieng, highly assessed the achievements resulting from the fruitful cooperation among the banks of the three countries in the past as well as at present, a cooperation which has significantly contributed to further promoting and expanding ever more fruitfully the fraternal relations among the three countries.

France To Help Set Up Agricultural University

BK2307115890 Vientiane KPL in English 0914 GMT 23 Jul 90

[Text] Vientiane, July 23 (KPL)—A French mission made up of two specialists in agronomy recently visited Vientiane to jointly with the Lao authority evaluate the necessary conditions for the creation of an agricultural university at Veunkham (22 kms north of Vientiane).

The two specialist Mr. Robert Manchon, and Mr. Patrick Tateossian, both engineers in agronomy, had talks with various Lao officials concerned, and before leaving Laos yesterday Mr. Robert Manchon disclosed that he was very satisfied with the results of his visit. He was optimistic about the success of this Franco-Lao cooperation.

In his interview to KPL correspondent, he said: "The Lao Government has requested the French assistance in establishing an agricultural university which will enable the country to train local agronomists. [quotation marks as received]

This university at Veunkham will function from October 1991.

Mr. Manchon said that in the first phase, the French side will supply basic scientific equipment and pedagogical and technical means for the post-graduate course to be held at an annual rate of 25 persons.

In the second phase of cooperation, he further disclosed, university study will be offered to high school leavers or graduates of secondary agricultural schools. During this phase, France will have to make financial contribution in many forms.

Clandestine Radio Reports Battle Activities

BK2707102590 (Clandestine) Radio Station of the Government for Liberation of the Lao Nation in Lao 0100 GMT 25 Jul 90

[Text] According to front-line news sources from the liberated areas, combat units of the armed forces struggling for democracy to defend Lao territory have effectively carried out activities in accordance with the direction of the national liberation government and the national liberation army. The heroic combatants are imbued with the deep patriotic ideal of cherishing Lao territory. Our various forces have moved forward to charge the enemies who have invaded Laos, namely the red Vietnamese and red Lao, who throughout the past have resorted to various schemes in collusion with Kaysone, son of a Vietnamese [word indistinct]. Since Kaysone came to power, with Souphanouvong, Faidang, and Sithon unknowingly serving as his henchmen, the number of Vietnamese, both civilians and soldiers, in Laos has increased continuously in line with the plan to Vietnamize Laos and with the secret treaty dated 10 July 1977. The Lao patriotic people are willing to make every sacrifice, even though they must shed their blood, because they are conscious of being Lao. The offensive against the country's enemies has been successful. In all military regions, the Lao national liberation army, our heroic combat unit, has scored the following victories:

In the second military region on 2 and 12 April, our combat unit clashed with the red Lao suppression teams in the vicinity of Khoun District of Vientiane Province, killing seven enemy soldiers and wounding several others.

In the third military region on 9-11 May, the people's armed forces struggling for democracy clashed with the red Lao soldiers and police in the vicinities of (Phalat) canton in Atsaphangthong District, (Vang Khe) village of Kaleum canton in Sonnabouli District, and [words indistinct] in Dong Koum canton of Atsaphangthong District. All of these areas are in Savannakhet Province. A large number of the enemy soldiers were killed, and six others seriously wounded.

Many more battle reports from different areas will be presented to listeners at a later date.

Philippines

Mangalpus To Bring Up U.S. Bases at ASEAN

HK2707095990 Manila THE MANILA CHRONICLE in English 27 Jul 90 p 9

[By staffmember Tress Martelino-Reyes]

[Text] Jakarta, Indonesia—The Philippines will ask the opinions of its neighbors on the fate of the American bases during the scheduled regional security talks of the Association of Southeast Asian Nations (ASEAN).

According to Foreign Secretary Raul Manglapus, who proposed the talks, the meeting would give the Philippines a chance to verify claims by the US that Southeast Asian countries favor the retention of its bases in the region. In a press conference after the closing of the 23rd Asean Ministerial Meeting here on Wednesday, Mangalpus said the Philippines would be "negligent" if it failed to "officially substantiate" the US claim and the pro-bases press statements by ASEAN countries like Malaysia, Thailand, and Brunei.

During the Jakarta meeting, officials of Asean—which also includes Singapore and Indonesia—agreed to discuss regional security on "a non-ASEAN bases." This means that other Southeast Asian countries like Indochina or Burma could be invited to the talks, Mangalpus said. Most ASEAN foreign ministers had expressed reservations about a regional security dialogue, saying the organization was not meant as a military bloc. Indonesian Foreign Minister Ali Alatas, chairman of the ASEAN standing committee, had said that ASEAN members should preserve the compromise contained in the 1967 Bangkok Declaration which states that "all foreign bases are temporary and remain only with the expressed concurrence of the countries concerned." Although Manglapus was confident that the security talks would push through, he said it was also "good" if no dialogue took place.

"Then we can say (during the bases talks, that) we tried but nobody wants to sit down. According to you Americans, they want the bases here (in the Philippines). They didn't even want to sit down with us so how can you use that argument?" he said. No date had been set for the dialogue but Mangalpus indicated that the Philippines would do everything to ensure that the proposed forum was "not left as a paper understanding." He said the talks would also touch on regional security and a reappraisal of the ASEAN members' concept of a Zone of Peace, Freedom, and Neutrality (Zopfan) for the region.

Mangalpus said the bases issue would not be taken up in his meeting with US State Secretary James Baker today. Instead, Manglapus said he would ask for a written guarantee that the US would either accept or relocate Vietnamese refugees admitted by the Philippines on American request.

Rebels Say Civilians, Not MNLF, Surrendered

HK2707044990 Manila DIYARYO FILIPINO in Tagalog 26 Jul 90 p 8

[Text] So-called rebel commanders of the Moro National Liberation Front (MNLF) who surrendered to National Defense Secretary Fidel Ramos recently were in fact members of the arms seizure gangs, sidewalk vendors and squatters and not members of the MNLF at all.

This was the assertion of MNLF's Manila spokesman Sultan Panny Pangandanan in a letter sent to DIYARYO yesterday. According to Pangandanan, one of the "surrenderees" was Sarapedin Saud Mangacop alias "Commander Dante" who is a deep penetration agent (DPA) of the military.

Mangacop allegedly suggested the "surrender" to the National Reconciliation and Development Program and the Firearms Recovery Program after he failed to obtain money from the MNLF leader Nur Misuari. According to Pangandanan, the surrender of Mangacop and his followers, who were described as "urban terrorists," was a ploy of the government to make the MNLF appear weak.

He added that the Islamic Conference Organization [ICO] was expected to recognize and admit the MNLF in a meeting in Cairo, Egypt next week.

Pangandanan added the men who surrendered to Ramos last Saturday were "civilians who were made to dress up in the uniforms of MNLF mujahidins (Muslim warriors)."

It is not true that they were members of the NASCOM [expansion unknown]-Urban Command of the MNLF "because there is no such urban command within the MNLF in Manila." He added that "it has become customary for the government to launch misleading propaganda every time the ICO holds its conference."

Communist Rebels Killed in Negros Oriental Clash

HK2707091590 Manila Radio Veritas in Tagalog 0800 GMT 27 Jul 90

[By Daday Melgar Cabilin]

[Text] A suspected communist rebel was killed in an encounter between government troops and an armed group in the mountains of Santa Catalina, Negros Oriental Province. This was announced by Lieutenant Colonel Cesar Veloso, the Regional Command [Recom] 7 public information officer.

Based on reports reaching Recom 7 Headquarters, a joint force from the 336th Philippine Constabulary [PC] Company, Citizens Armed Forces Geographical Units, and Civilian Volunteer Organization were on patrol when the encounter occurred. The government troops, headed by Sergeant Asgari Sagap, encountered about 30 fully armed men allegedly belonging to the section Committee Two under the command of Comrade Roy and Comrade Rey in upper Haloway, Barangay Nagbunlod, Santa Catalina. The firefight lasted 20 minutes, after which the enemies withdrew towards Kayok of the same barangay, leaving behind their slain comrades. The report did not state whether there were any casualties on the government side. It also did not reveal the identities of the slain rebels.

Meanwhile, five minutes later, five communists who are mass base members [as heard], including their 12 minor dependents, surrendered to government troops who were carrying out clearing operations. The surrenderees told investigators of their long standing plan to surrender but were stopped by their communist comrades. They are now undergoing tactical interrogation by the 336th PC Company Headquarters.

'Conciliatory' Executive, Legislature Mood Noted

HK2707025190 Manila THE MANILA CHRONICLE in English 27 Jul 90 pp 1, 8

[From the "Analysis" column by Amando Doronila: "Earthquake Brings Conciliatory Mood"]

[Text] Apart form devastating many of the cities and infrastructure of Central and Northern Luzon, the last earthquake has, on the political level, derailed the confrontation course between President Aquino and Congress over the issue of imposing a drastic limit to the repayment of the country's foreign debt.

There is emerging from the rubble left by the earthquake a conciliatory mood between the Executive and the Legislature over the contentious debt-cap issue. In a significant shift from Mrs Aquino's previously immovable position insisting that the Philippines should repay its debts regardless of the onerous costs, the Cabinet has decided to begin negotiations with creditors for debt suspension during the emergency.

On the other hand, the congressional leadership, particularly Speaker Ramon Mitra, is demonstrating moderation and statesmanship in the midst of the calamity. In a conciliatory statement, Mr. Mitra has said that the revival of legislation in the House fixing a debt cap should not be considered as a unilateral act by government to suspend debt repayments but as "additional tools to negotiate" with international creditors.

So, the thrust is towards negotiations rather than unilateral decisions and confrontation. A confrontational course is being avoided both between the government and the international creditors and between the President and the Legislature. At this stage, it is not clear what debt relief schemes will be formulated, but the important point is that the way has been open for negotiations.

The catalyst of this new climate of sweetness and light has been the magnitude of the earthquake destruction. The calamity has softened the position of the creditors towards granting debt relief to the Philippines, whose record of paying its debts has been generally impeccable, and they have, in fact, sent signals to the government that request for relief would be sympathetically considered to enable the country to rebuild the shattered economy. It was in response to these signals that the government shifted its position to accommodate the renewed moves in Congress to pass legislation on the debt cap.

The earthquake has won for the Philippines widespread international commiseration. Even before the government could collect its wits and mobilize its phlegmatic bureaucracy to deliver relief, foreign rescue teams and material aid were dispatched to the Philippines. The spontaneous response contrasted with the earthquake experience in Iran and Armenia, where foreign relief operations did not flow until after their governments officially had requested relief.

One of the effects of this new climate of moderation and the emerging compromise over the debt issue is that it has removed from the agenda of politics a potential flashpoint between the President and Congress. Fixing the debt cap is on the agenda of priority legislation of both the House and the Senate. The revival of the debt cap legislation was Congress' response to the launching by the President of the Kabisig [partnership] political movement, which Congress found provocative.

The developing compromise over this issue narrows the potential areas of confrontation between the President and the Legislature. Two important issue remain—the threat by Congress to examine the National Budget line-by-line, and the tax-reform package prepared by Finance Secretary Jesus Estanislao.

Fireworks are expected over these administrative measures, but the scrutiny of the budget is a traditional battleground between the President and Congress, and there is room for compromise over the tax-reform bill.

However, the basis for compromise and moderation has been established by the fact that there has been a national tragedy. And in her State of the nation address, President Aquino avoided a confrontational and provocative posture by going low-key on Kabisig.

Further on Economic Relief Efforts After Quake

Recovery Expected 'in 90 Days'

HK2707014590 Manila Far East Broadcasting Company in Tagalog 0000 GMT 27 Jul 90

[Text] The government expects to revive the economy in earthquake-devastated areas in 90 days. According to Trade and Industry Secretary Jose Concepcion, the government is making efforts to deliver economic assistance and food supplies to these areas. He added that the government is also interested in the rehabilitation of the Baguio Export Processing Zone.

Meanwhile, Transportation Secretary Oscar Orbos reported the successful rehabilitation of the earthquake affected areas, attributing it to the quality and strength of the infrastructure. His department recommended the opening of the Villa Varde Trail Highway linking Pangasinan and Nueva Vizcaya, extension of the north expressway to Carmen, Pangasinan, and construction of a highway from Bugallon, Pangasinan to Kalatiaw.

The department also proposed that the Kennon and Naguilian roads leading to Baguio City be converted into four-lane highways.

Aquino, Creditors To Meet

HK2707033790 Quezon City Radyo ng Bayan in Tagalog 0300 GMT 27 Jul 90

[Text] Malacanang will launch a multi-million pesos program next week to rehabilitate six provinces in Luzon which were devastated by an earthquake. Finance Secretary Jesus Estanislao said that the assistance of local and international financial institutions will be sought to raise the required 300 million pesos.

Meanwhile, President Aquino will meet with foreign creditors on Tuesday to discuss the program.

Easing of Loan Terms Sought

HK2707024390 Manila MANILA BULLETIN in English 27 Jul 90 pp 1, 18

[Text] President Aquino said yesterday that the Philippine Government has appealed to creditor governments for the temporary easing of loan terms and to other creditors for further debt relief to free additional resources for reconstruction efforts in the wake of the recent earthquake.

The President also disclosed that the government has begun discussions with various institutions for a $500-million emergency assistance fund to be used in an earthquake reconstruction program. In a speech before the Manila Overseas Press Club, Mrs Aquino called for the support of the citizenry and the international community for the reconstruction effort. She said that people can help by buying reconstruction bonds to be floated shortly. Mrs Aquino pointed out that both local and foreign assistance have to be tapped as the government will speed up the repair or construction of schoolbuildings, roads, markets, water systems and other vital infrastructure and services.

"We are calling on the international financial community to aid us in these reconstruction efforts," she said. "We have begun discussions for emergency assistance of about P [peso] 500 million over and above the assistance previously committed. We will seek further debt relief from our creditors," she added. The President said the government will not take unilateral measures against commercial and official creditors but will instead negotiate agreements for debt relief and easing of loan terms.

"We recognize that a unilateral generalized approach to our creditor government and banks will flounder because it does not consider individual limitations. The President thanked Speaker Ramon Mitra, Senate President Jovito Salonga, and other Congress members for their speedy passage of the P10-billion reconstruction fund. She also thanked the media and the business community for their support in the rescue and relief assistance operations.

Appeals to Creditor Nations

HK2707101190 Manila Radio Veritas in Tagalog 0800 GMT 27 Jul 90

[Text] President Corazon Aquino made a personal appeal for assistance from the international community for the reconstruction and rehabilitation of the earthquake-devastated areas in the country.

Speaking before the Manila Overseas Press Club [MOPC], she said that the Philippine Government has sought for negotiations for easier loan terms on conditions mutually acceptable to Manila and its creditor nations. Among the proposals is a call for two and a half years' suspension of debt payments, notably to the Paris Club creditors.

The president also spoke of a request for new loans amounting to $500 million, in addition to aid obtained earlier from foreign countries.

Meanwhile, the Philippine Government will push forward with a plan to float reconstruction bonds despite stiff objection from Congress.

[Begin Aquino recording in English—in progress] ...reconstruction bonds of three types. The first is directed towards anyone who can save up to 500 pesos. This is a perpetual bond paying regular savings rate annually. It is tax-exempt and is cashable any time. But those who hold it can participate in a periodic raffle with special prizes.

The second is directed towards banks, corporations, insurance companies, organizations and individuals with big excess savings. Its interest rate is below market rate. It has a maturity of five years and is tax-exempt.

The third is a dollar-denominated bond issued from Manila, intended for Filipinos living abroad. It will carry a regular savings interest rate and has a maturity of five years.

I call on everyone to set aside purely commercial calculations and exclusively market considerations. Our country is in great need. Many of our countrymen are in extreme distress. Let us rekindle the bayanihan [brotherhood] spirit. Let us draw from whatever savings we can spare for country and countrymen.

We are also calling on the international financial community to aid us in these reconstruction efforts. We have begun to reprogram ongoing loans and grants and are accelerating their disbursements to finance the needs of reconstruction. We have begun discussions with bilateral and multilateral institutions for emergency assistance aiming for about 500 million U.S. dollars over and above the assistance previously committed.

In addition, we will seek further debt relief from our creditors to free additional resources for reconstruction efforts. We are making special requests to allow us to take advantage of existing conditions in the international financial markets that would enable us to undertake a debt and interest reduction operation following up on our successful 1.3 billion U.S. dollars debt buyback of commercial bank debts in January 1990.

We have likewise made special appeals to our creditor governments under the Paris Club for a temporary easing of financial terms of official loans to the Philippines under options open to each government. We will likewise take measures to reduce our commercial bank debts that utilize market conditions and exploit the reality of divergent interests and strategy among our 300 or so commercial bank creditors.

We recognize that a unilateral generalized approach to our creditor governments and banks will flounder because it does not consider individual limitations. We do not seek unilateral measures against our commercial and official creditors. Instead, we seek to sit down and negotiate agreements that will be to our best advantage and will address our needs with timeliness and decisiveness. [end recording]

P10-Billion T-Notes for Restructure Approved

HK2607044890 Manila BUSINESS WORLD in English 26 Jul 90 pp 1, 6

[By reporter Cristina A. Sotelo]

[Text] The Monetary Board last Friday approved in principle the issuance of P50 billion [pesos] worth of special Treasury notes in line with the National Government's effort to restructure to long-term the maturity of its indebtedness.

According to government records, the T-notes with three-, four- and five-year maturities yield 20%, 21% and 22%, respectively, in interest per annum and would be in denominations of P100,000. On top of the special series, the National Government [NG] will also float P30 billion worth of three-year regular series marketable T-notes with interest rate and other features to be determined by the finance secretary at the time of the issuance.

The planned floats will be subject to the President's approval while expenses to be incurred in the process will be chargeable to the demand deposit account of the Treasurer of the Philippines with the Central Bank [CB]. Some P150,000 will be appropriated for printing and other related expenses this year. Right now, the NG's stock of outstanding Treasury bills amounts to P205 billion. The stock of short-term domestic debt in the form of T-bills comprises about 90% of the total domestic debt of the NG. The CB wants to see this drop to about 60% and the longer debt expand to about 40% of the total domestic debt of the NG.

Coupled with these plans is the CB's intent to float its own open market certificates of P20-P25 billion this year, a ranking government official told reporters yesterday. The yield and maturity of the open market certificates intended to serve as a "liquidity control mechanism" remains a "ticklish issue" that is currently being discussed by the CB and the Department of Finance [DOF]. The official said the CB wants the maturity of the instrument to exceed one year while the DOF prefers that it be short-term to avoid competition with the planned float of long-term issues.

The issuance of the open market certificates will make the CB independent of the NG's own fiscal operations since the certificates will purely serve the monetary policies of the CB. The official explained that the planned float will not replace the T-bills are earlier reported by the media, noting that the country is a developing one and needs to bridge the gap between actual revenue intake and deficits by incurring domestic debt.

Expected to take an active role in the absorption of these debt instruments are the Social Security System and the Government Service Insurance System, being accredited government securities dealers, whose maturing T-bills will not be rolled over as their proceeds are converted into T-notes holding, government sources said. Since these two institutions are exempted from the 20% withholding tax of their interest income on T-bills, they would not be able to trade the same in the secondary market. The regular series, on the other hand, which are not tax-exempt could be traded in the secondary market, the source said. The yields of these T-notes will always be one percent higher than the T-bills due to their longer maturity. However, the yields would be subject to review based on the fluctuations of interest carried by the T-bills. These instruments will be immediately issued by the CB, being the NG's fiscal agent as soon as the President gives the go signal. It will take about 14 to 18 months to restructure to long-term the existing debt instruments currently being traded in the market whose volume of turnover is at a high P1 trillion, the source said. The Land Bank of the Philippines and the Philippine National Bank would source the T-notes requirements of interested government-owned and controlled corporations since the two government financial institutions are accredited dealers of government securities, the source also added. He said there were at least 15 applicants to the government securities dealership and six were approved.

Jan-May Trade Deficit Reported at $1.590 Billion

HK2707023590 Manila MANILA BULLETIN in English 27 Jul 90 p 25

[Text] The Central Bank announced yesterday that the nation's merchandise trade deficit widened further to $1.590 billion during the first five months of this year from only $941 million during the same period last year.

Merchandise exports for May 1990 increased slightly by 2.6 percent to $695 million compared to the year-ago level of $677 million. This brought aggregate exports from January to May 1990 to $3,264 million, an increase of 5.2 percent from the $3,103 million recorded for the January-May period of 1989. The increase in total exports was traceable mainly to improvements noted in manufactured exports, mainly garments (U.S.$145 million) and electronics ($42 million); sugar and products ($49 million); and coconut products ($33 million).

Semi-conductor devices remained the country's leading exports, as shipments rose to U.S.$315 million. Other leading export products included coconut oil (U.S.$160 million), consigned children's and infants' wear ($110 million), copper metal •U.S.$122 million), consigned finished electrical and electronic machinery and parts (U.S.$109 million), and consigned women's wear (U.S.$102 million). The May merchandise imports rose by 13.0 percent to U.S.$1000 million from the U.S.$855 million registered in May 1989. Cumulative imports for January to May 1990 rose by 20 percent to $4,854 million the $4,043 million level recorded last year.

All major commodity groups registered increases led by capital goods which contributed 8.7 percentage points of $352 million to the total import increase, specifically on account of the expansion registered by power-generating and specialized machines and telecommunication equipment at $136 million and $89 million, respectively. Raw materials and intermediate goods contributed 5.8 percentage points or ($234 million), mainly on account of the upswing registered by chemicals ($122 million), textile yarns, fabrics and made-up articles ($47 million) and materials and accessories for the manufacture of electronic equipment (46 million).

Consumer goods contributed $106 million or 2.6 percentage point, due mainly to increases registered by rice ($41 million), passenger cars ($16 million) and miscellaneous manufactures (U.S.$15 million). Meanwhile, mineral fuels accounted for 2.5 percentage points or $100 million of the increase with the rise in the volume and price of petroleum crude, from 31.45 million barrels and $15.57 barrel to 34.39 million barrels and $16.97 barrel, respectively.

Petroleum crude oil remained the country's leading import with a value of $584 million, followed by consigned dice of any materials ($189 million), other parts of electronic components (U.S.$144 million), other consigned materials and accessories ($133 million), aircraft (U.S.$109 million), and consigned fabrics for the garments industry ($103 million).

ADB Extends P1.2-Billion Agricultural Loan

HK2607041490 Manila BUSINESS WORLD in English 26 Jul 90 pp 1, 6

[Text] AP 1.2 billion [1.2 Billion Philippine Peso] financial facility, in soft-loan terms, has been extended by the Asian Development Bank [ADB] to the Department of Agriculture [DA] to finance the immediate rehabilitation of the country's agricultural sector.

In announcing the loan yesterday, Agriculture Secretary Senen Bacani explained that the amount will support efforts to directly assist farmers in earthquake-damaged crop areas of Northern Luzon, Cagayan Valley and Central Luzon. The assistance, sourced from the soft-loan window of ADB, will carry an interest rate of only 1% per annum and an extended loan repayment period of 30 years. V. Bruce J. Tolentino, DA undersecretary for policy and planning, told newsmen the loan is separate from a multisectoral rehabilitation program being packaged by the National Government through the Department of Finance [DOF]. He, however, stressed that availment of funds for the purpose will be coursed through the DOF and the Department of Budget and Management.

The fund is expected to boost the Rice Action Program (RAP) in Luzon's palay production areas since a significant portion of the facility could be used directly to finance RAP's activities. Among the damaged areas where the RAP is being pursued vigorously are the provinces in Central Luzon and Cagayan Valley. Based on field reports submitted early this week, damage to the sector was estimated at P17 million. The financing components under the ADB-supported rehabilitation package are: procurement of agricultural inputs such as seeds and fertilizer; construction of basic infrastructure like barangay roads, small warehouses, and small water impounding projects; and acquisition of agricultural equipment and parts.

Thailand

Foreign Cigarette Taxes Revised Despite Ban

BK2507031590 Bangkok THE NATION in English 25 Jul 90 p 15

[Excerpt] In a major concession to the United States, the Thai government has decreed that foreign cigarettes will be taxed at exactly the same rate as the local product—a flat 55 percent.

This misleading bit of information was made official in a July 15 announcement in the Royal Gazette and gives the Revenue Department the legal means to treat foreign cigarettes equally with Thai-made cigarettes.

However sources said that the announcement, while a sop to the foreign cigarette makers, was only intended to counter charges of trade discrimination and is literally meaningless because the government's ban on the import of overseas cigarettes is still in force.

In other revenue changes, Finance Minister Pramual Sabhavasu has signed an order to scrap the Bt [baht] 1,000 exit tax currently levied on Thai residents leaving the country by air. The order takes effect on August 1, the Revenue Department announced yesterday.

The cigarette announcement on behalf of the Excise Department, which collects taxes on tobacco, alcohol and other luxury items, is seen as a gesture by the Thai government to the United States' long-standing request for Thailand to open its cigarette market to foreign competition. Moreover, the announcement was timed for the crucial series of General Agreement on Tariffs and Trade (GATT) multilateral talks in Geneva. The US recently brought its cigarette case to the GATT, of which Thailand is also a member.

The lack of equal treatment for local and foreign products was frequently cited by other countries as an act of discrimination by the Thai government. "As a result, the Excise Department has moved to alter the tax system levied on tobacco products to bring the country more into line with international trade rules," said an informed source. "However, it doesn't mean that the announcement will allow foreign cigarette imports into the country at this stage."

Previously, the department levied three different tax rates on tobacco products, that is 35, 48, and 56.5 percent which are applied according to the content of foreign tobacco leaves. The first rate applies to products containing 100 percent local tobacco leaves, while the second and third rates apply when there is 80 percent or less local tobacco leaves.

The Cabinet yesterday also scrapped the 1.5 percent busines tax on imported cigarettes, which will be subject to the new excise tax only if allowed into the country. Despite the present ban, there is, however, rampant smuggling of foreign cigarettes which are widely available in most cities, towns or suburbs—illegally.

Statistics compiled by the Excise Department during the past 2-3 years show that 60 million packs of foreign cigarettes are smuggled into the country annually. But officials declined to comment on whether the government should allow official imports to curb the smuggling problem.

They said the change in tax collection is not expected to have any impact on the taxes paid by Thailand Tobacco Monopoly. During the first 9 months of this fiscal year, ending in June, the government received a total of Bt9.91 billion from the state enterprise, up about Bt400 million from the same period a year earlier. [passage omitted]

Puangchon Chao Thai Considered for Coalition

BK2607023390 Bangkok BANGKOK POST in English 26 Jul 90 pp 1,3

[Excerpt] Top-level Chat Thai leaders have informally consulted each other and feel the Government has to be strengthened by adding the Puangchon Chao Thai Party to the coalition without ousting any of the present partners, Chat Thai sources said after a party meeting yesterday.

The sources said that if the structure of the Government was thus adjusted then a reinforced Chatchai Chunhawan Government would last its full four-year term and be a great honour for the Prime Minister, as an elected MP [member of parliament], to be the first to lead a democratic government to its full term. The 17-member Puangchon Chao Thai Party would give the Government, currently with 229 MPs, an unshakeable 246 majority in the 357-member House of Representatives.

Sources said most Chat Thai MPs agree with this and the present political trend is for the inclusion of only Puangchon Chao Thai while the other potential partner—the Prachakon Thai Party—is left in the Opposition.

It would be very difficult if not impossible to exclude any of the current coalition parties since during the censure debate only individual weaknesses showed up. If a whole party is to be excluded then the problem would become very complex, sources said. However, if Puangchon Chao Thai is brought in then all of the current coalition parties will have to adjust their Cabinet quota to give some seats to the new partner. Puangchon Chao Thai leader Athit Kamlang-ek could be made deputy prime minister and concurrently offered another Cabinet portfolio. Another deputy minister seat could also be offered the party, sources said.

But the Chat Thai leadership feels that Gen [General] Chatchai should still hold on to the defence minister post and not offer it to Gen Athit. The sources said Chat Thai has not yet consulted other coalition parties on this but believe they would not object to the scheme.

Earlier yesterday morning at Parliament, a number of Chat Thai MPs had also called on the party to push for a Cabinet reshuffle by including opposition parties in the coalition without ousting any of the present partners. [passage omitted]

Vietnam

VNA Denies U.S. Allegations on MIA's

BK2707151990 Hanoi Domestic Service in Vietnamese 1430 GMT 27 Jul 90

[Text] According to foreign sources, in his recent visit to the Soviet Union, Thomas Burger, president of the National Association of Vietnam War Veterans, said that at present there still remain in Vietnam a number of U.S. military personnel who were held prisoner during the Vietnam war, and called for help to bring them home.

VNA is authorized to reject this fabricated allegation filled with ill intentions. Once again the Vietnamese side affirms that it has handed over to the U.S. side all the Americans who were missing in action during the Vietnam war.

Commentary on Khmer Rouge, U.S. Policy Shift

BK2607132490 Hanoi International Service in English 1000 GMT 26 Jul 90

[Station commentary]

[Text] The military situation in Cambodia was tense due the Khmer Rouge's increase of their military activities in some western provinces of Cambodia. But these activities only aggravate the tension and prolong the civil war in that country. They still could not control important western provinces, such as Kampot and Banteay Meanchey.

General Tie Banh, Cambodian defense minister, told a press conference on 14 July in Phnom Penh that the opposition forces controlled by Pol Pot in Kompong Thom Province had carried out a number of military activities on a small scale in some areas of Kompong Thom township, but they could not come near the town for they were intercepted by the government forces, militia, and guerrillas. They had to retreat and left behind 112 corpses.

The Khmer Rouge now continue committing more brutal crimes against the Cambodian people. According to General Tie Banh, last week the Khmer Rouge killed 100 people in Kampot Province. Mr. Nuon Ven, 22, who just broke the ranks of the Polpotists to return to the revolutionary forces, said he could not endure the maltreatment of the Polpotists to innocent people in refugee camps along the Thai-Cambodian border. They have often made use of the excuse that Vietnam invades Cambodia to cover up their looting and killing actions.

Mr. Nuon Ven said when he was in the ranks of the Polpotists, he and other soldiers were ordered to attack and burn their hamlets and kill the people, including their relatives. He was filled with remorse for his errors and called on other soldiers to break the ranks of the Pol Pot faction, to return to the people, and to make contributions to defend and rebuild their country. That was the truth.

In the past few days, the Khmer Rouge continued to launch attacks on several areas in Cambodia to sabotage the Tokyo agreement, but they could not control the Cambodian territory.

In an interview with the INTERNATIONAL HERALD TRIBUNE, Australian Foreign Minister Gareth Evans said that the Khmer Rouge forces controlled by Pol Pot might continue military activities in several places but would be unable to seize power in any city. The problem here is the necessity to prevent the Khmer Rouge's war acts. To do this, China and other countries must stop their military aid to them.

The recent statement of U.S. Secretary of State James Baker on the U.S. intention to withdraw support to the Coalition Government of Democratic Kampuchea in the United Nations and open negotiations with Vietnam on the Cambodian issue is one of the positive orientations to prevent the criminal and military actions of the Khmer Rouge.

General Examines Current Status of Socialism

BK2207093990 Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Jun 90 pp 45-51

[Article by Major General Doan Chuong: "Renovation and Not Change of Direction"]

[Text] We are facing two great challenges: first, the crisis in a series of socialist countries, the second crisis in the history of the world communist and worker movements; and second, the fierce counterattack mounted by the imperialist and reactionary forces in an effort not to encircle, contain, and undermine, but eliminate socialism from our planet within this very century just as former U.S. President Richard Nixon mentioned in his book entitled "Nineteen Ninety-Nine: Victory Without War."

The year 1989 was termed by the international mass media the "Year of Eastern Europe." Within a few months in late 1989, a series of socialist countries in that part of the world underwent changes never seen before in history. The bourgeois ghostwriters clamored about what they called "the end of communism," "a domino-like collapse of the communist regimes," "communist crowns rolling about everywhere," "communism, not capitalism, is in its death throes," and so forth. What a strange and heart-breaking incident. People eliminated the adjective "socialist" from the names of their countries, changed the names of their parties so they no longer had anything to do with "communism," removed panels bearing the signs of the red star and hammer and sickle, and so forth. Worse still, they disregarded cultural values, smearing the statues of Karl Marx and Lenin and tearing them down....

A movement to swim against the tide and to join in a chorus to criticize socialism and the communist parties developed. People have condemned Karl Marx and Lenin for having initiated socialism and class struggle and have maintained that socialism is a historical mistake of the 20th century!

In fact, it was not Karl Marx but Le Roy (France) who first introduced socialism in 1832. Later on, socialism developed into an ideological trend represented chiefly by famous writers like Fourier and Saint-Simon (France) and Owen (Great Britain). These people zealously propagated socialist concepts and even tried to apply socialist principles to social life by arousing the compassion of the capitalist forces. It is for this reason that their doctrine was then termed utopian. Despite its immaturity, that utopian doctrine did help the laboring people raise their voices against the capitalist system and constituted one of the three sources of Marxism.

Karl Marx's great accomplishment lies in the fact that after discovering historical materialism and the doctrine of surplus value, he succeeded in transforming utopian socialism into a scientific doctrine. He demonstrated in a scientific way the objective, unchanged nature of the law governing social development; namely, that capitalism must certainly be replaced by socialism and the course of that development must go through the stage of revolutionary struggle. Neither Karl Marx nor Lenin was the initiator of class struggle. It was the bourgeoisie itself that made use of class struggle to overthrow the feudal system. This fact has been demonstrated by the glorious armed exploits of the bourgeoisie-led revolution in France in 1789 following the start of the bourgeoisie-led revolution in Great Britain. Lenin once said: In order to be called a Marxist, one must not only recognize the role of class struggle but must also recognize the role of both class struggle and proletarian dictatorship. Marx's merit lies in his discovery of the very fact that capitalism gave birth to the proletariat—the grave-digger of the capitalist system itself. The proletarian dictatorship is indeed a vehicle for the proletariat to fulfill its historic mission.

Beginning with the emergence of the "Communist Manifesto," scientific socialism is now 150 years old and its history can be divided into two stages:

The first stage, from 1848 to 1917, was a 70-year period in which socialism struggled to achieve its reality. Developments of scientific socialism and activities of the workers' movement resulted in the emergence of communist parties, the vanguard units of the working class struggling for socialist reality. Marx and Engels, founders of scientific socialism, defined International I (1864-1872) and International II (1889-1923) as the two stages for achieving socialist reality. After Engels died, however, world communist and workers' movements experienced a major crisis: Opportunism, under many forms, dominated all events in International II.

There was a long period before World War I in which capitalism developed in a peaceful manner. Through their escalated colonial exploitation, masters of the capitalist groups earned great profits through which they bought workers, thereby creating the aristocratic worker's class. This served as a social base for opportunism to develop vigorously and totally dominate the world communist and workers' movements.

The objective of opportunism in International II focused on efforts to regulate social classes, create harmony between socialism and capitalism, eliminate the dictatorship of the proletariat and the communist party leadership, promote bourgeois democracy, strengthen chauvinism, and so forth. However, V.I. Lenin steadfastly fought against opportunism in International II. He creatively gave full play to his talents and organizational capabilities in order to protect Marxism and help it develop under the new conditions, correctly resolve the issues of war and peace and revolution, turn the imperialist war into a revolutionary civil war to overthrow the ruling regime, change the bourgeois democratic revolution into the socialist revolution, and build a new party—a party which fought for socialism and realized its goal through the Great Soviet October Socialist Revolution, thereby ushering in a new era for the history of mankind.

Undergoing serious ordeals in World War I and coupled with the great victory of the Soviet October Revolution, the opportunism of International II was defeated disastrously.

The second stage, from 1917 to the present, was a 70-year period during which socialism struggled for victory. Over the past 70 years and more, realistic socialism has scored notable achievements which can be summed up as follows: First, socialism emerged from a single country and became a world system recognized by countries on all continents. It has encouraged many nations on our planet to struggle for new goals. Second, it has helped to liberate many nations by turning them into socialist countries, brought new life to the working class, and helped nations to score important socioeconomic achievements. Third, socialism has manifested its vigorous vitality in the face of various types of wars; liberation wars, civil wars, regional wars, and world wars. Socialism has also gained superiority in military strategies, thus helping to maintain world peace. It is regretable, however, that a number of people, taking advantage of the current "reform" and "renovation," have deliberately tried to discredit these revolutionary achievements.

However, it should be pointed out that the superiority of socialism has not been clearly visible for two reasons. First, the new regime has yet to create a labor output greater than that of the old regime. Second, although social liberation has been achieved, there are still some restrictions in human emancipation. Capitalism has triumphed over feudalism because it has been able to generate a higher labor output and liberate the people from the shackles of feudalism. Socialism has not reached so high a level as capitalism.

This is due to many reasons. It should be noted that capitalism has a history dating back more than 500 years. The transition from feudalism to capitalism took 300 years, then another 200 years or more—since the beginning of the 18th Century—of perfecting itself, flourishing, and then deteriorating. Realistic socialism has a history spanning only 70 years or so; only 40 years in many countries. For the most part, socialism in these countries was born out of war and endured through war. In the Soviet Union, World War II destroyed one third of the country's property and pushed it back 12 years in the economic race with the United States. (The Soviet Union's 1938 industrial output accounted for 30 percent of the United States' and it was not until 1950—when the economic recovery period ended- that it regained this level).

Socialism's opponent is international imperialism which, instead of giving up its position and selfish interests, has mounted a fierce counteroffensive, using various military, political, economic, cultural, and ideological tricks. One of the more perfidious actions it implements, though not widely known, is the trade embargo. Initiated by the United States, international capitalism has established the so-called Coordinating Committee for the Control of Trade With Socialist Countries, known as Cocom, which became operational on 1 January 1950. During the period 1952-57, along with Cocom, there existed the Special Commission for the Control of Trade Embargo with Asian Socialist Countries, known as Trincom. Like some unofficial organ, Cocom operated in a strictly secret fashion. It determined the goods and industrial products to be banned from export to socialist countries, considered applications by country members for lifting bans on trade embargoes, and supervised the implementation of embargo regulations. During the "cold war," restrictions on exports were wide-ranging. Banned goods accounted for 50 percent of the total goods in circulation in the international market, covering over 2,000 items in 460 different categories. Now this figure has been reduced, but there still remains over 300 items in 160 different categories that are banned. Any corporation found violating the embargo regulations will be prosecuted by the government of the member country concerned. Any member country found violating or aiding its corporations in violating embargo regulations will be blacklisted by COCOM and banned from trading with other member countries.

These are objective facts which cannot be ignored when it comes to examining the progress of socialist construction.

It is necessary to have a deeper insight into this process if we are to draw the necessary lessons. In this process we will see many ironical things. Socialism will certainly replace capitalism in accordance with the natural law of social evolution. Socialism was born from the "weaknesses" of the production chain of imperialism, and the general knowledge at the beginning when socialism was first built was very poor. Therefore, we will commit mistakes if we fail to proceed from the practical conditions for creatively applying Marxism-Leninism.

Second, socialism first came to life in the Soviet Union, a country rich in natural resources, while that nation was under the siege of imperialism. Under pressing but favorable conditions, the Soviet Union has strived to build and perfect socialism and has resorted to many specific measures needed to assure its survival and remain strong enough to cope with its enemies. Lenin was once confronted with a specific situation: He had to sign the Brest-Litovsk peace treaty on 3 March 1918 by which Soviet Russia was forced to give away nearly 1 million square kilometers of its territory and dissolve its armed forces and naval fleets. In a supplemental agreement signed on 27 August of the same year, it had to pay 6 billion marks as compensation in exchange for relative peace so it could consolidate the Soviet administration. But with socialism developing from a national into an international system where all objective and subjective conditions have changed, the Soviet Union, instead of relying on practical conditions, has based its foundations on anachronistic experiences that advocate prolonging the system of bureaucratic centralism and state subsidies, thus leading it to unevitable mistakes.

Third, Marxism criticizes capitalism for having created two major unfortunate practices in history; namely, separating workers from the means of production and pitting the state against the people. Marxism also points out that it is the goal of socialism to do away with these practices by capitalism. The declaration of the Communist Party said: "Replacing the old capitalist society with a class opposed to it will give rise to a form of alliance in which the liberal growth of each person is a condition for the liberal growth of all people." But the course along which socialist construction was carried out in the past cannot get rid of the above unfortunate practices. The people have not yet truly become the masters. The laboring people continue to be kept separate from the means of production. Although social liberation has been achieved, there are still deficiencies in human emancipation.

Fourth, the proletariat is a class of international character. Its historic mission is to carry out an international revolution but so far, the proletarian revolution has continued to take place on a step by step basis. "The proletariat in each country must first seize political power, rise to the position of a national class, and transform itself into a nation" (the declaration of the Communist Party). The relations between the nation and the class and between the nation and the world are therefore relatively complicated, requiring delicate handling. The lingering feelings of nationalism, both great-nation chauvinist nationalism and bigoted nationalism, will not be easily eliminated. They have left deep impressions on many policies and relations and have created many relatively complicated consequences. Proletarian internationalism has been seriously violated.

Fifth, faced with the development of the new scientific-technical revolution, both socialism and capitalism have run into crises. However, capitalism has been able to readjust to a system of private ownership and to use scientific and technical findings as a means of creating remarkable economic and technical achievements. It has strived to solve satisfactorily various problems despite the continuing emergence of many new difficulties. Meanwhile, socialism, although endowed with a strength generated from its system of public ownership, has missed an important opportunity.

Sixth, the communist parties are the vanguard units of the proletarian class and the laboring people in the "struggle for victory" between socialism and capitalism. However, some communist parties, once they became the ruling parties, tended to adhere to bureaucratism while their cadres and party members became degenerate trying to attain special privileges and distancing themselves from reality and the people. Some even made mistakes in implementing party policies and failed to maintain their work quality, thereby damaging their prestige, causing indignation among the masses, and creating loopholes for the enemies and bad elements to incite the people.

While some other ironical points—such as that face that crises in each nation stemmed from different causes and unique conditions—can be raised to describe the situation, but the above-mentioned phenomena are the general causes of the whole crisis. This has clearly shown the objective necessity of the current reform, restructuring, and renovation which have been implemented. It is impossible to survive and develop without reform, restructuring, and renovation.

One noteworthy point is that in face of the vigorous development of the scientific-technological revolution—especially industrial development—both capitalism and socialism experienced crisis. However, capitalism can adjust itself by applying the new scientific-technological innovations to obtain economic and technical achievements. However, only some socialist countries have correctly implemented reform and renovation and reached initial yet important achievements; while many others, the more they try to reform and renovate the more the confusion, failure, and serious crises they will face. Why did this happen? Recent facts show that a trend of new opportunism has emerged.

The objective of this new opportunism is focused on efforts to create harmony between social classes and between socialism and capitalism, reject revolutionary achievements, incite socialist nations to reexamine

Marxism-Leninism, encourage them to take "a third path"—which is, in essence, the path toward political pluralism and marketing economy of the bourgeois class—eliminate dictatorship of the proletariat and communist party leadership, turn communist parties into "old" nationalist parties, and implement the opportunist policy and demagogy, thus creating more chaos and deterioration in some socialist nations. New opportunism has damaged many revolutionary achievements in socialist countries, caused misery for many genuine communists, and brought about a negative effect in many aspects to the world revolution. This is, in reality, a change of direction and not a renovation.

This trend of new opportunism has emerged not only in a number of socialist countries, but also in many communist and workers' parties. This is the second largest crisis in the history of the world communist and workers movements. The world conditions that led to the emergence of new opportunism are similar to those in the International II stage in the past; that is, for a long time after World War II, capitalism developed in a peaceful manner without having to cope with another world war. Capitalism, grasping the vigorous development of the scientific-technological revolution, adjusted itself and scored new economic-technical achievements, while socialism made mistakes, missed its opportunity, and experienced serious crises. As a result, scepticism has emerged, thus giving rise to the tendency to demand social democracy in the world communist and workers' movements.

This new opportunism is a natural ally of international imperialism. Capitalism never wants to be replaced by socialism. Therefore, it has tried by all means to oppose socialism. This is the unchanged nature of capitalism. Taking advantage of new opportunities and the crisis facing socialist countries, the imperialist forces have intensified their acts of sabotage and intervention and have implemented peaceful evolution in a bid to eliminate the socialist countries. On 16 February 1990, Lawrence Eagleburger, U.S. under secretary of state, openly defined U.S. policy on Eastern Europe as follows: "We must develop a process and framework for turning these countries from communist governments with a centralized economy into democratic and multiparty systems with a market-oriented economy. U.S. assistance will be provided according to the pace of achievements by these countries and must be aimed at fulfilling our four objectives. First, we want to achieve progress in political pluralism based on free, fair elections and on an end to the communist parties' monopoly on power. Second, we want to achieve economic reform based on the emergence of a market-oriented economy with the private sector assuming an important role. Third, we want to see more respect for human rights, including freedom of emigration, freedom of speech, and freedom of movement. Fourth, we want each of these countries to establish relations with the United States." This policy is unquestionably clear. The spearhead is political pluralism with the goal of eliminating the communist parties. The objective is to privatize the economy and restore capitalism. The complicated developments in several socialist countries are the result of two factors: internal contradictions and the international imperialist forces' acts of sabotage.

Socialism is facing a great challenge. Genuine communists and the working people must carry out the urgent task of defending and developing socialism. This is a fierce struggle which calls for efforts to oppose both imperialism and new opportunism. We must of necessity bring about renovation; otherwise, we will have no resources for survival and development. Also, we must not change direction, for if we do, we will pay a high price, we will lose everything, and we will fall into the imperialist forces' trap. In conclusion, we must opt for renovation and not change direction. The situation will continue to develop in a complicated manner, particularly when the storm reaches the epicenter. The international imperialist forces optimistically believe that they will eliminate socialism from the planet before the beginning of the 21st century. The question is: How can they eliminate socialist gains and socialist awareness of the masses? It goes without saying that in the course of the transition to socialism, the struggle to determine "who will triumph over whom" will be fierce in each country as well as in the world as a whole. There is no way for history to avoid taking false steps. Nonetheless, the inevitable law of history is based on progress. Socialism will certainly overcome challenges and difficulties step by step and will continue to effect changes for the better. Although the world revolutionary movement still faces many difficulties, it will certainly continue to develop. Nothing can stand in its way. Socialism is the law of history, not a historical mistake. As described by Marx and Engels, from "a ghost haunting Europe," socialism has become a reality on almost all the continents and has survived the test of history. Countless difficulties and hardships still lie ahead; yet, socialism will certainly be able to make its own way and surge forward in accordance with the law of history.

New Zealand

Prime Minister Palmer Leaves for Japan Visit

BK2507041090 Hong Kong AFP in English 0119 GMT 25 Jul 90

[Text] Auckland, New Zealand, July 25 (AFP)—New Zealand Prime Minister Geoffrey Palmer left here Wednesday for an official visit to Japan.

His two-day visit to Tokyo got off to a bad start when heavy fog closed Auckland Airport in the morning, but he left early Wednesday afternoon.

Trade and investment issues are expected to dominate his talks with senior Japanese politicians.

Papua New Guinea

Government Plans No Concessions to Rebels

BK2707104090 Hong Kong AFP in English 0942 GMT 27 Jul 90

[By Michael Collins]

[Text] Port Moresby, July 27 (AFP)—The Papua New Guinea Government Friday laid down a no-secession stance for Sunday's peace talks with Bougainville rebels as Prime Minister Rabbie Namaliu headed overseas to keep neighbours abreast of their progress. Mr. Namaliu left for Vanuatu to attend the South Pacific Forum, leaving Foreign Minister Sir Michael Somare to prepare his team for the peace talks aboard New Zealand warships.

Two international observers arrived on board New Zealand's HMNZS Endeavour at a secret location near Bougainville, the site of a bloody 16-month conflict which left more than 80 people dead before a March cease-fire. Nick Etheridge, Canada's deputy high commissioner in Australia, and Tony Browne, a New Zealand Government official, came here at Port Moresby's request to monitor the talks.

Sir Michael, who flew in from Jakarta, told reporters Friday he was unsure if he would face Bougainville Revolutionary Army (BRA) leaders Francis Ona and Sam Kauona at the peace table. A senior government spokesman was uncertain when the presence or absence of the BRA leaders would be confirmed.

The peace talks were twice postponed from the Solomon Islands capital Honiara when the BRA leaders rejected the site becase they feared for their lives there. Sir Michael was optimistic the talks would be successful with or without the rebel chiefs, whose grievances trace back to landowners seeking compensation from the island's giant copper mine.

"I hope they will be at the meeting...to tell us what are their real grievances," Sir Michael said. The government team departs Saturday to board New Zealand's HMNZS Wellington at Rabaul on the north coast. They then meet the Bougainville party including provincial leader John Kabui.

"If John Kabui is there at least we will be talking to him," Sir Michael said. "I am happy we are to be able to sort out this problem." But he said the government would maintain its hardline against the BRA's demand for a referendum on independence. "Secession of course is non-negotiable," he said.

No time limit has been set on the talks. "I don't know how long they will go on for," Sir Michael said.

The Bougainville team will stay at Kieta, the main port on the eastern Papua New Guinea island which unilaterally declared its independence in May. HMNZS Waikato will ship the team to the talks each day.

There has been no word from the BRA's leaders because Port Moresby slapped a communications blackout and travel blockade on the island after it declared itself independent. Sir Michael said the island had basic foodstuffs but services such as health and education had collapsed.

Australian relief organisations have reported that 14 Bougainville woman have died during childbirth in the past two or three weeks due to the lack of medical supplies there.

Port Moresby approached New Zealand to help with the peace talks after the earlier postponements. The government here formalised arrangements for the negotiations with Wellington on Wednesday.

Prime Minister Surprised by Intervention Reports

BK2607130090 Hong Kong AFP in English 1228 GMT 26 Jul 90

[By Michael Collins]

[Text] Port Moresby, July 26 (AFP)—Papua New Guinea's Prime Minister Rabbie Namaliu expressed surprise Thursday at reports referring to possible outside intervention in the crisis over the secession of Bougainville Island.

Government officials are due to start talks on Sunday with representatives of the Bougainville Revolutionary Army (BRA), which declared independence on May 17 after seizing control of the island.

Mr. Namaliu said that no agenda had been set for the talks, which are to take place in waters off Bougainville on board warships on loan from New Zealand. Speaking to reporters here, he said that "the first meeting will obviously zero in on that issue." "We must crack the nut by actually meeting," he added.

He could not confirm that BRA leaders Francis Ona and Sam Kauona would attend the talks. "We are yet to get a full confirmed list," he said.

Proposed peace talks in Solomon Island capital Honiara were postponed when BRA leaders refused to attend because they feared for their lives there.

Mr. Namaliu, whose remarks were later broadcast on national radio, said he was "surprised" at a report Thursday which said that Indonesia was urging Australia to give his government military aid against the BRA.

The report in the national daily The Australian quoted "secret diplomatic cables" from Jakarta as saying that Indonesian Defense Minister Benni Murdani believed the government of Papua New Guinea had too few troops to crush the rebellion.

(In Canberra, Defence Minister Robert Ray said Australia intended to stay out of the crisis in Papua New Guinea. Responding to The Australian report, Mr. Ray said, "The Australian Government's position is a noninterventionist one.")

Mr. Namaliu said Papua New Guinea's "fairly-well trained" army was capable of handling the crisis and had been only sent into Bougainville to help the police force, he said.

The supply situation on copper-rich Bougainville was critical, especially food and medical wares, he said.

Port Moresby's blockade of Bougainville, imposed when the BRA declared independence in May, was being felt there, Mr. Namaliu said. "On the main island there is a shortage of supplies. People need medical supplies (and) basic food items. A lot of the services have collapsed."

Asked to confirm reports that women have died during childbirth from lack of medical care, Mr. Namaliu said: "There would be woman in childbirth situations who without proper medical care... would die."

The prime minister, who flies Friday to the South Pacific forum meeting in Vanuatu, said he would brief heads of government there on the Bougainville situation.

On the issue of handing back an Irian Jaya separatist leader to Indonesian authorities, Mr. Namaliu said that was one method of dealing with people who create trouble on the border. "There are situations where people directly involved in creating those problems have got to be dealt with so they don't do them again," he said.

Government To Hold Border Talks With Indonesia

BK2707073390 Hong Kong AFP in English 0702 GMT 27 Jul 90

[Text] Port Moresby, July 27 (AFP)—Papua New Guinea will hold talks Monday with Indonesia to settle flare-ups on its western border, Foreign Minister Michael Somare said here Friday.

Sir Michael told reporters after returning from the Association of South East Asian Nations (ASEAN) meeting in Jakarta that the talks would be held in the Irian Jayan capital Jayapura. He said he failed to understand why Australia had not invited his country to join the Asia Pacific Economic Conference (APEC). But he expressed hope Papua New Guinea would be invited to participate in APEC at its meeting in Singapore this weekend.

The foreign minister, who will head Port Moresby's delegation at Sunday's peace talks with Bougainville officials, said the copper-rich island's demand for secession was "non-negotiable."

Sir Michael had no apologies for last week's handing over to Indonesian authorities of Free Papua Movement fighter Mecky Salosa. "If we find them giving us problems this is what will happen again."

After meeting with officials in Jakarta both nations agreed to hold talks aimed at solving flare-ups on the border.

"Beginning next week, we are sending in our people to Jayapura for discussions. They will go from there to Kalimantan to look at how the border is divided between them and the Malaysians."

A joint-security committee was set up earlier this year to monitor the 800 kilometre (500 mile) frontier between Papua New Guinea and Indonesia's Irian Jaya province.

Sir Michael said he failed to understand why Australia did not invite Papua New Guinea to join APEC when Canberra initiated the group last year. "New Zealand has three million people. Papua New Guinea has almost four million people and why we have been left out I don't know. Probably they will invite us later, perhaps at the Singapore meeting. We don't like to be left out. We are a Pacific island country," he said.

Sir Michael said he was hopeful a peaceful solution would come out of the talks with officials from Bougainville, where militant landowners waged a 16-month war which cost more than 80 lives until a march cease-fire. "I am quite confident we can pull things together."

The talks would be worthwhile even if Bougainville Revolutionary Army (BRA) leaders Francis Ona and Sam Kauona were not among the party from the troubled island, he said. "I hope they will be at the meeting ... To tell us what are their real grievances. "If (provincial leader) John Kabui is there at least we will be talking to him.

But the government would maintain its hard line against the BRA's demand for a referendum on independence, he said. "Secession of course is non-negotiable."

Sir Michael will leave Port Moresby Saturday to head for the peace talks on New Zealand warships at a secret location in Bougainville waters.